

**EXHIBIT 3.3**

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**37<sup>TH</sup> ANNUAL WATERMASTER REPORT FOR CUMMINGS BASIN**

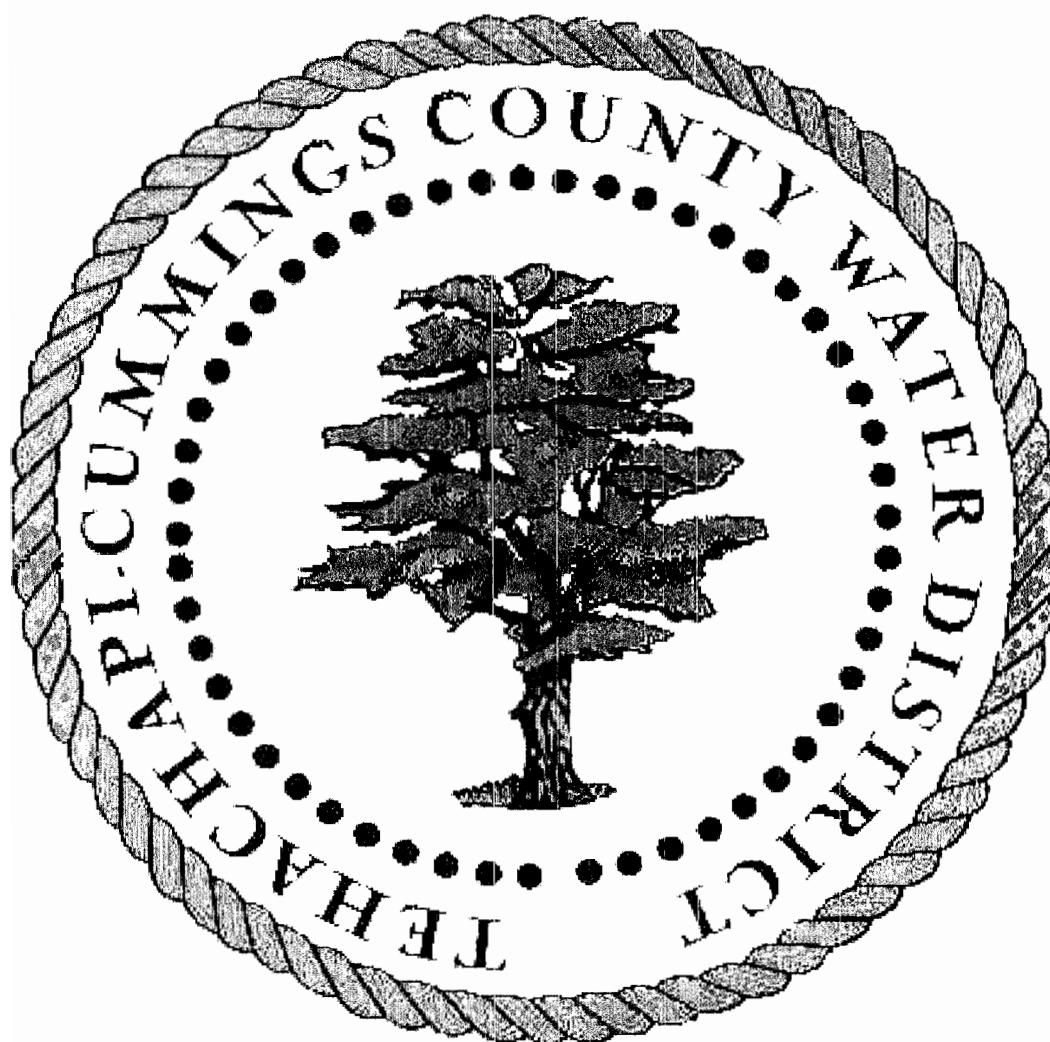
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TERRY A. HALL, CLERK  
KERN COUNTY, CALIFORNIA  
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**REPORT OF TEHACHAPI-  
CUMMINGS COUNTY WATER  
DISTRICT AS WATERMASTER FOR  
CALENDAR YEAR 2011**



**THIRTY-SEVENTH ANNUAL  
WATERMASTER REPORT  
FOR CUMMINGS BASIN**

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF KERN

TEHACHAPI-CUMMINGS COUNTY )  
WATER DISTRICT, a Body )  
corporate and politic, )

Plaintiff )

vs. )

FRANK M. ARMSTRONG, et. al., )

Defendants. )

No. 97209

REPORT OF TEHACHAPI-CUMMINGS  
COUNTY WATER DISTRICT AS  
WATERMASTER FOR CALENDAR  
YEAR 2011

Cummings Basin  
Thirty-Seventh Report

## I. PRELIMINARY STATEMENT

The case of "Tehachapi-Cummings County Water District, a body corporate and politic, Plaintiff, vs. Frank M. Armstrong, et al., Defendants", Kern County Superior Court No. 97209, went to trial in December of 1970. The case was duly and regularly continued further for trial to March 1, 1971. The matter was further continued for the remainder of trial to June 14, 1971. Trial continued through June 22, 1971. A Judgment was filed on March 6, 1972, whereupon defendant, State of California and its subsidiary departments and agencies appealed. A partial reversal followed by the Court of Appeal, 49 Cal. App. 3d, 992 (1975), as modified in 50 Cal. App. 3d, 528 A (1975), and has been remanded back to the trial court. Further hearing before the trial court was held on April 9, 1976. The April 9 hearing was continued to allow the parties time to review data and make further preparation.

Under the provisions of said Judgment, which appointed the Tehachapi-Cummings County Water District as Watermaster for the Cummings Basin, it is uncertain when the Watermaster Report is due with the Court. The Findings of Fact indicate that the period of administration and enforcement of the Judgment should be on a water year (October 1 through September 30). This report is therefore, submitted in order to bring the history of Cummings Basin up to date as nearly as practicable.

Due to the method of collection of available data, a calendar year appeared to be a more desirable time period for administration and enforcement of the Judgment. The Watermaster asked the Court to amend this provision of the Findings of Fact to place administration on a calendar year basis.

## HISTORY OF WATER MANAGEMENT PROGRAM

The Tehachapi-Cummings Water Conservation District was formed in 1961 to carry out basin groundwater and watershed studies. This was a continuation of the Tehachapi Soil Conservation District's efforts in seeking solutions to water shortages within the area.

The Tehachapi-Cummings County Water District was formed February 16, 1965, by popular vote within the district, replacing the Tehachapi-Cummings Water Conservation District. A Citizens Advisory Committee composed of a cross section of community residents was established. This committee worked for more than a year on the basic solution to groundwater overdraft within the three major groundwater basins of the district.

On May 16, 1966, the Citizens Advisory Committee recommended to the Board of Directors of the Tehachapi-Cummings County Water District that three separate adjudication actions be filed on the Tehachapi, the Cummings and the Brite Valley groundwater basins. The purpose of these actions was to establish groundwater rights of all parties and to establish a physical solution and a groundwater management program in each basin when necessary to prevent further damage to the basin and also to allow the integration of imported supplemental water with local groundwater supplies. Plaintiff, Tehachapi-Cummings County Water District filed these actions in the Superior Court, on October 3, 1966.

On December 16, 1966, the Tehachapi-Cummings County Water District Board of Directors signed two contracts with the Kern County Water Agency for entitlement to State project water. One contract for an annual entitlement of 5,000 acre feet of agricultural water and the other for an annual entitlement of 15,000 acre feet of municipal and industrial water.

On June 8, 1971, a special district election was held with 65% of the eligible voters casting ballots. A federal loan under Public Law 984, in the amount of \$6.5 million, and a general obligation bond totaling \$2.5 million were approved by a 91% majority. The purpose of this financing was to construct an imported water system to convey State water to the Tehachapi-Cummings County Water District.

Construction on the water project began in May 1972. On November 4, 1973, the first imported water was pumped from the State Aqueduct near the A. D. Edmonston Pumping Plant through Cummings Valley and into the Tehachapi area. Project water has been delivered within the Cummings Basin during each season since water first arrived within the Tehachapi-Cummings County Water District.

IV. EXTRACTION BY TEHACHAPI-CUMMINGS  
COUNTY WATER DISTRICT OF  
RETURN FLOWS FROM IMPORTED WATER

5

Pursuant to Part K of Resolution 8-73, the District has exercised its right to extract from the Cummings Basin return flows from State Water Project water imported by the District. As noted in the April, 1991 Watermaster Report, the District extracted approximately 436 acre feet between May 1, 1988 and May 1, 1990 by means of Well #T32S R32E S31 B1, leaving approximately 1,779 acre feet of return flows from imported SWP water in storage in Cummings Basin as of December 31, 1990.

By Resolution No. 14-92, adopted by the Board of Directors of Tehachapi-Cummings County Water District on December 22, 1992, a new Section 3 was added to Part C of Resolution No. 15-76, which was affirmed and restated in Resolution 13-09, Part C, Section 3 and provides as follows:

Section 3. Amendment of Term M&I Agreements to Provide for Substitution of Return Flows (Including Intentionally Recharged Water) for Surface Deliveries.

The Board of the District hereby find and determine that substantial savings in treating imported water can be realized by retail purveyors of water purchased pursuant to Term M&I Agreements from the District if the District allows such purveyors to pump return flows from imported water which heretofore has percolated into the groundwater basins within the District, whether from seepage before or after use or reuse or whether from intentional spreading by the District in recharge facilities. Provided that sufficient District return flows are in storage and pumping of same by retail purveyors will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow such purveyors to pump District return flows in lieu of imported water provided that such purveyors and the District execute an amendment to their Term M&I Agreement substantially in the form attached hereto as Appendix 2.

As provided in Part C Section 3 of Resolution No. 13-09, the District and Bear Valley Community Services District (BVCS D), the California Correctional Institution (CCI) and Stallion Springs Community Services District (SSCSD) have amended their respective Term M&I Agreements. Each agency began purchasing return flow and/or artificially recharged SWP water (conjunctive use). Table 5 summarizes the storage and extraction of return flows from imported water.

**TABLE 3. ESTIMATED PUMPING FROM CUMMINGS BASIN  
DURING THE PERIOD OF 2007 THROUGH 2011**

<u>TYPE OF USE</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Agriculture	2,673	3,022	3,495	2749	1,944
State of California	565	565	565	565	565
Other	319	321	346	336	366
<b>TOTALS</b>	<b>3,557</b>	<b>3,908</b>	<b>4,406</b>	<b>3,650</b>	<b>2,875</b>

**TABLE 4. ANNUAL RAINFALL IN CUMMINGS BASIN  
FOR YEAR 2007 THROUGH 2011 (IN INCHES)**

<u>MONTH</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
January	1.73	1.80	.95	2.45	.71
February	2.32	3.01	.90	3.00	3.05
March	.98	.46	.60	.05	4.90
April	1.74	.61	.30	3.00	.21
May	0	.25	.10	.55	1.28
June	0	0	1.35	0	.01
July	0	.03	0	0	1.22
August	0	0	.02	0	0
September	.45	0	0	.05	.02
October	.33	.20	0	2.71	1.22
November	.15	2.32	1.05	1.65	.66
December	1.25	1.72	2.90	3.91	.0
<b>TOTALS</b>	<b>8.95</b>	<b>10.40</b>	<b>8.17</b>	<b>17.37</b>	<b>13.28</b>

RAIN GAUGE LOCATION: NEAR THE MOST SOUTHERLY SOUTHWEST  
CORNER OF THE CUMMINGS ORCHARD

## V. CUMMINGS BASIN KEY WELLS

In an attempt to monitor the groundwater level in Cummings Basin in such a manner that it could be observed when groundwater should in the future spill from the basin via Chanac Creek, a key well for monitoring purposes is being considered by the District and the State of California. This well will be known as the Cummings Basin Key Well, State Well No. 35N1. A copy of an updated hydrograph on this well is included herein as Exhibit B.

## VI. CUMMINGS BASIN CONJUNCTIVE USE PROJECT

In 1996, the Tehachapi-Cummings County Water District adopted Resolution No. 3-96 adding a new Part C Section 4 of Resolution No. 15-76, authorizing the pumping of recharged imported water in lieu of surface delivery of imported water. On June 17, 2009, the Board of Directors adopted Resolution No. 13-09, which affirmed and restated Part C, Section 4 of Resolution No. 15-76 and it provides as follows:

Section 3. Amendment of Term M&I Agreements to Provide for Substitution of Return Flows (Including Intentionally Recharged Water) for Surface Deliveries. The Board of the District hereby find and determine that substantial savings in treating imported water can be realized by retail purveyors of water purchased pursuant to Term M&I Agreements from the District if the District allows such purveyors to pump return flows from imported water which heretofore has percolated into the groundwater basins within the District, whether from seepage before or after use or reuse or whether from intentional spreading by the District in recharge facilities. Provided that sufficient District return flows are in storage and pumping of same by retail purveyors will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow such purveyors to pump District return flows in lieu of imported water provided that such purveyors and the District execute an amendment to their Term M&I Agreement substantially in the form attached hereto as Appendix 2.

The Tehachapi-Cummings County Water District constructed groundwater recharge facilities, which enable the District to store imported State Water Project water in the Tehachapi and Cummings groundwater basins for subsequent extraction and beneficial use. This banking program has significantly improved both water supply and quality in the Cummings Basin and has helped ensure adequate local water supplies during drought years. The District began recharge operations during 1995.

The Bear Valley Community Services District (BVCS D) constructed new wells in the Cummings Basin and installed a transmission pipeline to convey recovered State Water Project water for delivery within the BVCS D water service area. The BVCS D began its Cummings Basin extraction of imported water in June 1997. The groundwater extracted from the Cummings Basin under this recharge/recovery arrangement is imported State Water Project water and is not a portion of the native safe yield.



Subsequent to the publication of the Fugro Report, the District began to detect lowering groundwater elevations in three of its four key wells, with the exception being Well 32S/32E-20M1; which is located approximately ¼ mile from the District's recharge ponds. Key wells in the middle of the basin showed a steady decline from 2002 through 2009, with 2010 indicating a leveling pattern and 2011 showing some recovery.

In 2010, groundwater pumping was considerably less than it has been in recent years. In addition, the Board adopted a spreading loss surcharge in 2010, whereby the District spreads 6% more water than the conjunctive use customers extract.

In 2004, the District completed construction of additional recharge basins on 20 acres in the Chanac Creek fan immediately west of State Highway 202 acquired by the District in 2003. These additional recharge facilities, together with the District's recharge area along Chanac Creek upstream of State Highway 202 and recharge area on the Cummings Creek Fan in the southeast corner of the Basin now provide the District with ample capability to recharge far more water than required by the District's recharged SWP water customers, namely Stallion Springs CSD, Bear Valley CSD and CCI, Tehachapi.

In 2008, the Term M&I Agreement with the California Department of Corrections and Rehabilitation (CDC&R) was amended to reflect the fact that CCI, Tehachapi is pumping return flows of SWP water either directly or indirectly recharged back into the Basin, in lieu of surface deliveries of SWP water, which CCI no longer can receive since CCI's water treatment plant is inoperable.

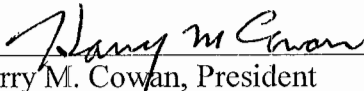
In December 2006, the District and the CDC&R executed an agreement whereby Corrections agreed to sell to the District, and the District agreed to purchase from Corrections, all tertiary treated disinfected effluent produced from CCI, Tehachapi's upgraded waste water treatment plant, for a term of 25 years from completion of the new plant. The District also adopted Rules and Regulations Governing the Use of Recycled Water.


In 2010, the District installed an 8" purple pipe to convey recycled water from CCI to the Horsethief Country Club Golf Course, four miles away. CCI's Waste Discharge Order was issued in 2010 and the District's Master Reclamation Order was issued in 2011. The golf course will use about one-third of the recycled water produced by CCI.

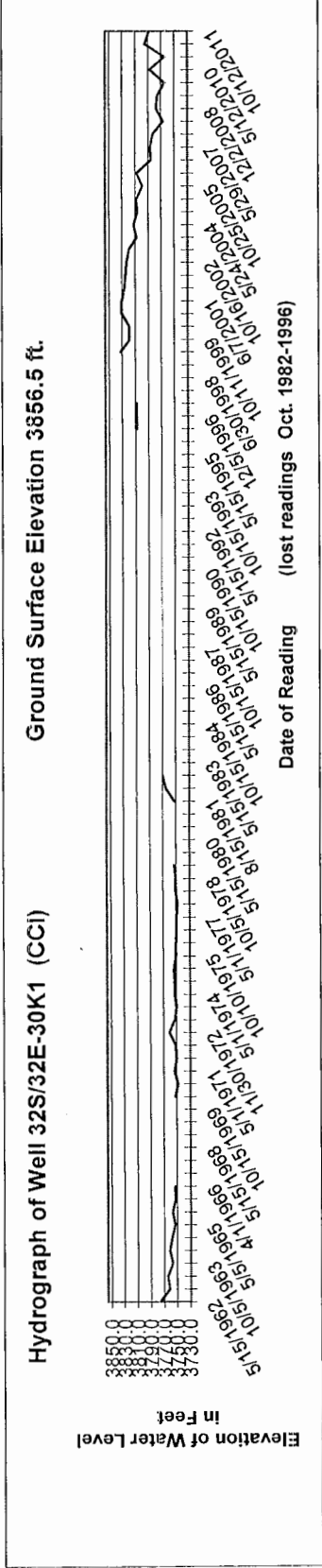
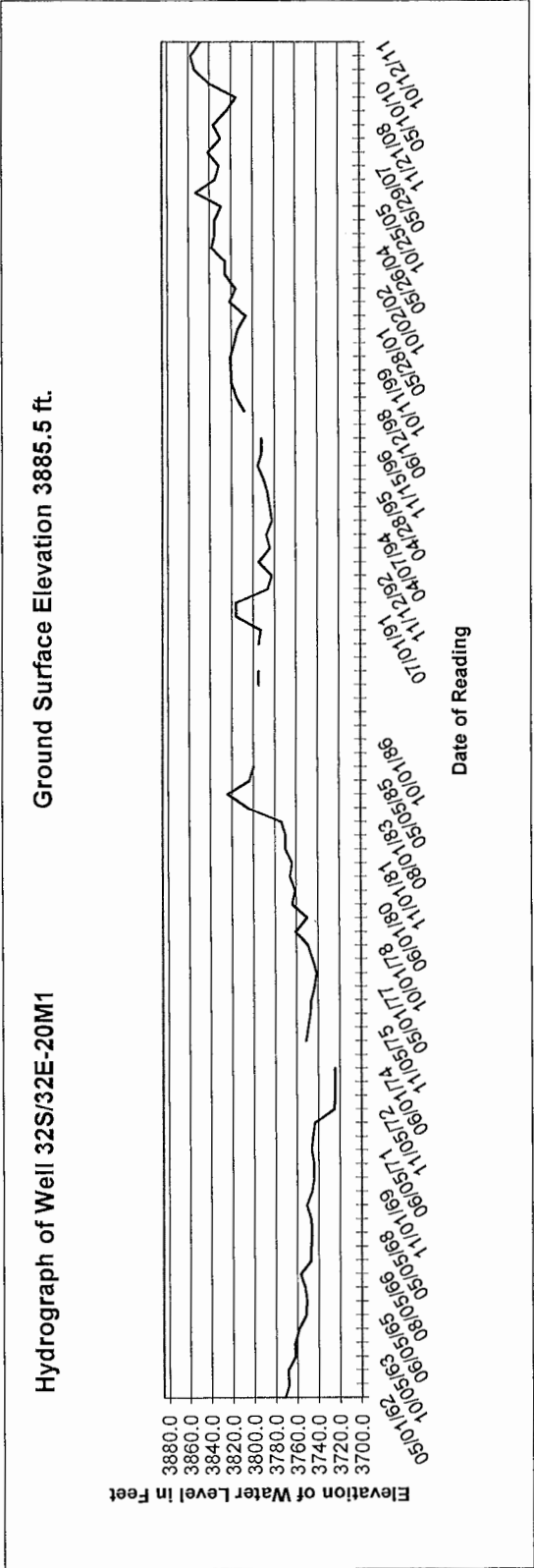
This Thirty-Seventh annual report is submitted for the Tehachapi-Cummings County Water District as Watermaster for the Cummings Basin.

DATE: April 11, 2012

By:

  
Harry M. Cowan, President

  
John A. Martin, General Manager



**TERM M&I AGREEMENT**  
**[For Existing Recharge Water Customers]**

THIS AGREEMENT is entered into effective \_\_\_\_\_, \_\_\_\_\_, by and between TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a county water district ("District" hereinafter) and \_\_\_\_\_ ("Water User" hereinafter).

**A. Recitals.**

(i) As provided in Part C of the District's Rules and Regulations, it is District policy to meet the present and future needs of its Term M&I Agreement Customers from the District's State Water Project ("SWP") water supply pursuant to the District's two water supply contracts with the Kern County Water Agency ("KCWA") both dated December 16, 1966 (the "KCWA WATER SUPPLY CONTRACTS"). Water User for many years has had a Term M&I Agreement with the District, for M&I use as defined in District's Rules and Regulations, and wishes to enter into a further Term M&I Agreement; as herein provided. To the extent any water taken by Water User qualifies for agricultural rates, the Rules and Regulations shall govern the same and this agreement shall be inapplicable thereto.

(ii) This is a "Term M&I Agreement", entered into pursuant to the Rules and Regulations.

(iii) Pursuant to Part K of the District's Rules and Regulations, as amended, the District claims all right, title and interest in and to all return flows into any groundwater basin within the District's boundaries of water imported by the District, whether by means of waste, seepage or percolation before or after delivery, use or reuse, or from the District's intentional recharge of IMPORTED WATER by the District in District spreading areas, together with the right to recapture and otherwise utilize same (all such return flows hereafter "RECHARGE WATER").

(iv) Pursuant to Section 3 of Part C of the District's Rules and Regulations, as amended, the District in its discretion may elect to allow retail purveyors having Term M&I Agreements with the District to pump RECHARGE WATER in lieu of taking surface deliveries of IMPORTED WATER.

(v) Water User wishes to reduce the cost of treating IMPORTED WATER by substituting therefor RECHARGE WATER to be pumped by Water User from the \_\_\_\_\_ Basin.

(vi) In accordance with the longstanding holdings of the California Supreme Court (*City of Los Angeles v. City of Glendale* (1943) 23 Cal. 2d 68, 76-77 and *City of Los Angeles v. City of San Fernando* (1975) 14 Cal. 3d 123, 257-261), and other holdings of the Courts, the District and the Water User have the right to recharge, store and withdraw IMPORTED WATER from the \_\_\_\_\_ Basin.

**B. Agreement.**

Now, therefore, it is agreed between the parties, in consideration of the terms hereof, and the lower rates for M&I water taken pursuant to a Term M&I Agreement, as follows:

1. During the term of this agreement, and each annual period hereunder, Water User agrees to purchase from the District (a) all water used, sold or distributed by Water User for M&I use as defined in the District's Rules and Regulations, over and above quantities of "LOCAL WATER AVAILABLE TO WATER USER", as that quoted term is defined and limited in paragraph 2 hereof, (hereinafter referred to as the "NET IMPORTED M&I REQUIREMENT") provided, however, District shall have no obligation to sell to Water User more than \_\_\_\_\_ [insert Water User's 2040 projected

sufficient water to achieve its BWRA goal as set forth in the BWRA TABLE by December 31, \_\_\_\_\_ [insert 10<sup>th</sup> year from effective date]. Water User shall not be required in any one year to purchase for its BWRA more than twice its NET IMPORTED WATER REQUIREMENT for such year. Upon termination of this agreement, Water User shall own the water in its BWRA free of any and all restrictions imposed by this agreement and Water User may continue to store, or may pump, or may sell, or otherwise dispose of such water as it sees fit.

4. This agreement is subject to all the provisions of the District's Rules and Regulations including all future amendments thereof, except to the extent inconsistent with a material term of this agreement.

5. Within thirty (30) days of the execution of this agreement, and prior to each November 1 thereafter during the term of this agreement, Water User shall furnish to District a written estimate of its NET IMPORTED M&I REQUIREMENT for the next calendar year. This estimate shall not constitute a contractual obligation to take the estimated quantity. Nothing herein shall limit the right of District to require other and further reports pursuant to the powers reserved under paragraph 4 above.

6. Notwithstanding any other provision of this agreement, Water User agrees to pay District for a minimum quantity the greater of (i) its scheduled BWRA input or (ii) if its BWRA is full, five (5) acre-feet per each annual period or any partial annual period under this agreement, unless failure of Water User to receive that quantity is due to inability of District to deliver all or a portion of such supply.

7. If the Water User should at any time substantially fail to comply with this agreement, and District on account thereof terminates this agreement, or should Water User terminate the same other than for a reason hereinabove set forth, Water User shall be obligated to forthwith pay to District, in addition to any amounts otherwise owing to District, the difference between the amount of money which Water User was obligated to pay to District for water sold and delivered pursuant to this agreement and the amount of money which Water User would have been obligated to pay to District had said water so sold and delivered been originally sold and delivered at the normal M&I rate during the calendar year of such termination or substantial failure to comply with this agreement. Nothing herein contained is intended to foreclose the District from seeking such damages as it may sustain from any breach, substantial or not, of this agreement by Water User whether or not such breach leads to District's termination of this agreement.

8. The annual period under this agreement shall be the calendar year, and if the first annual period be less than a full calendar year, "LOCAL WATER AVAILABLE TO WATER USER" for that short annual period shall be in such proportion as the number of days under this agreement in that calendar year bears to 365.

9. In lieu of Water User taking direct delivery from District, Water User's NET IMPORTED M&I REQUIREMENT may be provided in accordance with this paragraph 9. For purposes of this paragraph 9, (i) "IMPORTED WATER" means SWP water purchased by the District pursuant to the KCWAWATER SUPPLY CONTRACTS and (ii) "WATER USER'S WELL[S]" means that [those] certain well[s] in the \_\_\_\_\_ Basin as listed in **Exhibit B** hereto, as such list may be modified from time to time as a result of Water User constructing or acquiring new wells and/or abandonment of then existing wells, provided, however, Water User shall obtain the District's prior written consent to change Water User's extraction wells which shall not be withheld unless the District reasonably determines that such new well or wells will substantially interfere with another well or wells in the vicinity.

(a). Substitution of Recharge Water. Water User may pump RECHARGE WATER in lieu of taking surface delivery of IMPORTED WATER at the price and subject to the terms

and 97211. Water User acknowledges that paragraph 2 of the Judgments in each such case generally prohibits the exportation outside of the particular groundwater basin of any native groundwater extracted from such basin. Water User further acknowledges that paragraph 5 of the Judgments in each such case provides, in part:

"Nothing in this Judgment contained shall be deemed a determination whether the Plaintiff or any other party will or will not have any rights in any return flow from water subsequently imported, which matter shall be within the continuing jurisdiction of the Court."

Water User further acknowledges that the State of California, a defendant in Case No. 97209, has objected to the District's Amended Findings of Fact, Conclusions of Law and Judgment in Case No. 97209, in which the District claims the right to return flow from the use of imported waters or waste or seepage from the District's imported water project in the Cummings Basin, and that the Court has not ruled on such objection. While the District has claimed and continues to claim a right to return flow from the use of imported waters in the Cummings, Brite and Tehachapi Basins, including the right to extract and export outside of such basins imported SWP water intentionally percolated by the District in District recharge areas for storage in such basins and subsequent extraction and beneficial use, all consistent with rulings from the California Appellate Courts, the District makes no warranties or representations to Water User as to the validity of the District's position on these issues. Water User has sought its own legal advice concerning the validity of the District's claim to RECHARGE WATER and Water User's right to export RECHARGE WATER for use on lands which do not overlie the groundwater basin from which the RECHARGE WATER will be pumped and has relied upon its own independent legal advice in entering into this agreement and acquiring rights in and improving and repairing WATER USER'S WELL[S]. Accordingly, Water User acknowledges that the District shall have no liability to Water User in the event that it is ultimately determined in Case Nos. 97209, 97210 and 97211 or any other proceeding that the District does not have the right to sell RECHARGE WATER in the Cummings, Brite and Tehachapi Basins or Water User may not export RECHARGE WATER for use outside of the basin or basins in which the District had spread RECHARGE WATER.

10. The District's obligation to supply water hereunder is conditioned upon the availability of sufficient SWP water under the KCWA WATER SUPPLY CONTRACTS to enable the District to meet all of its Customers' water demands. In event the District in any year has insufficient SWP water available to meet the full needs of Water User pursuant to the terms of this agreement and its other customers, the District's available SWP water in that year shall be allocated in accordance with the District's Rules and Regulations or other policies adopted by the District from time to time, provided that such policies recognize any priorities mandated by statute or recognized under the KCWA WATER SUPPLY CONTRACTS OR KCWA's contract with the State of California referenced therein. Provided, however, the Water User shall draw upon Water User's BWRA to make up any such shortages.

11. This agreement shall have a term ending \_\_\_\_\_, \_\_\_\_\_ [(Here insert the end of the calendar year which is closest to 10 years from the effective date of this agreement, whether said date is more or less than 10 years in total.)]; provided, however, that each year on the anniversary date of this agreement, this agreement shall extend one additional year, unless, at least 90 days prior to such anniversary date either party provides notice to the other that it will not consent to such further extension(s) of this agreement and further, provided, however, this agreement shall terminate upon termination of the KCWA WATER SUPPLY CONTRACTS (December 31, 2039) unless and to the extent the terms of such agreements are extended.

WHEREFORE, the parties have executed this agreement as of the dates opposite their respective signatures.

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RULES AND REGULATIONS  
FOR THE SALE, USE AND DISTRIBUTION OF WATER

PART A. DEFINITIONS. The following terms, as used in all parts of these Rules and Regulations shall have the following meanings, unless the context requires another meaning.

Section 1. "District" – Tehachapi-Cummings County Water District.

Section 2. "Agricultural water" - water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than two (2) acres.

Section 3. "M&I water" - water used for any use so that the same is not agricultural water within Section 2 hereof.

Section 4. "General Manager" - the General Manager of District, or in the event of his absence the employee designated by the Board of Directors of District to assume the General Manager's duties.

Section 5. "Person" - any natural person or artificial person, including but not limited to, a partnership, corporation, association, public entity or any other type of entity.

Section 6. "Term M&I Agreement" - a written agreement entered into between District and a water user or prospective water user wherein that person agrees to purchase water from District for a term and with provisions as provided for in Part C, Section 1 of these Rules and Regulations.

Section 7. "These Rules and Regulations" or "Hereof" or Other Words Referring to these Rules and Regulations or Some Part or Section Hereof – these Rules and Regulations as amended from time to time and any successor Rules and Regulations as amended from time to time.

Section 8. "Water User" - any person whose application for water service has been approved by the General Manager and which applicant has complied with all provisions of these Rules and Regulations precedent to entitling him to commencement of water service.

Section 9. "Prospective Water User" - a person desiring water service from District, but who is not yet a water user within the preceding definition.

Section 10. "Board" – The Board of Directors of the District.

valorem taxes each year to meet the District's annual obligations under the KCWA Contracts.

(v) In setting rates for M&I water, it is the policy of the District that the rate for M&I water delivered other than pursuant to a Term M&I Agreement (the "normal M&I rate") shall be set to recover the full cost to the District of purchasing and delivering such water on a non-scheduled occasional demand basis, including all costs under the KCWA Contracts. The rate for M&I water sold pursuant to a Term M&I contract or other contractual basis shall be set at a lower rate than the normal M&I rate on account of the long term contractual commitment of the water user to the District to purchase a portion of the District's Table I entitlement. Further, the ultimate retail purchaser of water sold to wholesale purveyors under Term M&I Agreements pay real property taxes, which support District operations, while non-contract purveyors of M&I water typically are not taxpayers within the District. Further, a lower rate is justified since Term M&I contract customers must schedule their anticipated deliveries six years in advance which assists the District in meeting its obligations to the KCWA under the KCWA Contracts to likewise schedule its deliveries six years in advance.

(vi) As set forth in Part K hereof, the District owns all return flows from SWP water purchased from the KCWA under the KCWA Contracts and imported into the District through the District's Imported Water System. In setting rates for agricultural water, it is the policy of the Board to take into account the fact that the percentage of return flows back into the ground from agricultural water is substantially higher than from M&I uses. It is the policy of the District to avoid, to the extent possible, setting rates higher than the ability of its customers to pay for water since it is in the District's best interests to maximize water sales revenues.

#### PART C. TERM M&I AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Term M&I Agreements for surface delivery of SWP water shall be substantially in form and content set forth in Appendix 1 hereto and Term M&I Agreements for subsurface delivery of recharged SWP water shall be substantially in form and content as set forth in Appendix 2 hereto.

Section 2. Policy Concerning New Term M&I Customers. Not all of the SWP facilities authorized and necessary for the DWR to deliver all of the KCWA's Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District's Table 1 entitlement under the KCWA Contracts) have been constructed. Recent court decisions adverse to the DWR water supply cast further uncertainty as to the amount and dependability of the District's SWP water supply. It has been and remains the District's policy to routinely extend Term M&I Agreements upon conclusion of their stated terms since the District's wholesale customers and their retail customers have built water distribution systems, homes, businesses and other public and private improvements in reliance on the long term availability of SWP water from the District. Before entering into new Term M&I Agreements or other contracts with new customers, it is the District's policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long term needs of the District's existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer's anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers and existing agricultural customers. If and when such needs cannot be met, it is District's policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer's long term water requirements.

PART D. WATER SERVICE; APPLICATIONS; CONNECTION AND RECONNECTION CHARGES; DEPOSITS. Water service will be furnished in accordance with the policy and rules herein adopted and the connection and reconnection charges herein established, subject to all other provisions of these Rules and Regulations.

applicant's signature shall be contained the following in type or print of a size or style to fairly distinguish it from the remainder of the application:

"The undersigned applicant understands that upon approval of this application, District will take steps toward installation of the necessary facilities for service. However, applicant understands that District is not liable for any direct or consequential damages of any kind to applicant by reason of delay in the commencement of service. Applicant also understands that as a part of this service contract, it is subject to the Rules and Regulations for the Sale, Use and Distribution of Water as adopted by Resolution No. 13-09 of the Tehachapi-Cummings County Water District (the "Rules and Regulations"), as the same may have been heretofore amended, or as the same may be hereafter amended, and to any successor Rules and Regulations as may be thereafter adopted, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Applicant acknowledges receipt of a copy of the Rules and Regulations. If this application results in a Term M&I Agreement, the provisions of said Term M&I Agreement will modify the provisions of this paragraph."

Section 5. Where New Turnout Required. If the applicant desires service from a point requiring construction of a new turnout, an application for service shall state the location thereof. The application shall not be approved until the Board has approved the location of the new turnout, and the estimated cost thereof, which amount shall be an additional connection charge which must be deposited prior to approval of the application.

Section 6. Approval of Application. When all conditions precedent to entitlement to service have been met, the General Manager shall endorse approval on the application form and return one executed counterpart to the prospective water user. Where a Term M&I Agreement is to be executed, service shall not commence until such agreement is executed in two (2) counterparts by District and the prospective water user.

Section 7. Separate Applications for Each Connection. A separate application shall be required for each separate service connection, but a delinquency by a water user as to any service connection shall constitute a delinquency as to all of the water user's connections. A reconnection for the same water user where service has been discontinued under Sections 2 through 4 of Part E shall not require a new application if reconnection is made within three (3) months of disconnection, and any owner who has signed the initial application shall remain responsible for charges.

Section 8. Connection and Reconnection Charges. The Board by resolution shall set connection and reconnection charges to recoup the full cost of each initiation of water service or reestablishment thereof.

Section 9. Connection or Reconnection, Pursuant to Exchange Pool Requirements Under Adjudications. To the extent that any water user is required by the Court in any of the ground water adjudications (Kern County Superior Court Case Nos. 92709, 92710 and 92711) to purchase water from District in connection with the physical solution imposed by the Court under any exchange pool or similar arrangement, connection charges otherwise payable prior to connection or reconnection shall be paid by District, except such reconnection charges as arise by reason of disconnection under Sections 2 through 4 of Part E.

Section 10. Lateral Distribution Lines Privately Financed. Lateral distribution lines, the cost of construction of which is paid for or substantially all paid for by a person or persons for service to specific property or properties, when and as dedication thereof is accepted by this District, shall be accepted on the following condition:



request, may have a hearing before the Board to present any objections to the proposed District action; and the last date upon which the request must be received by the District. If the water user does not timely request a hearing before the Board, the District shall proceed to disconnect the connection. If the water user timely requests a hearing before the Board, the Board shall schedule the hearing at the next regular Board meeting, consider the objections of the water user, and make such decision as appears proper under all of the circumstances.

**PART F. STATEMENTS.** Statements for water charges shall be rendered as follows:

Section 1. Regular Statements. Statements for water delivered shall be mailed monthly on or before the tenth (10th) day of the month with respect to water delivered the preceding month. However, late mailing shall not extend the dates hereafter set forth. All such statements are due and payable immediately, and become delinquent if not paid by the twenty-eighth (28th) day of the month, or if the same not be a District business day, by the next succeeding business day; provided, that as to a public entity water user, a statement shall not become delinquent if paid within twenty-one (21) days after the first regular or adjourned regular meeting of its governing body held after receipt of the billing. If service is discontinued prior to a statement being mailed, it may likewise include charges for water furnished through date of discontinuance.

Section 2. Closing Statements. Closing statements, other than as provided above, shall be mailed promptly upon discontinuance of service and shall be due and payable within fifteen (15) days after the date on which mailed, or the next succeeding District business day if such fifteenth (15th) day be not a business day. If not paid within that time, they are delinquent.

Section 3. Water User's Obligation to Request Statement. If any water user has not received a statement or bill which should have been received by him under the foregoing rules, it shall be his obligation to timely obtain a duplicate statement from District, and risk of loss in the mails shall not be the responsibility of District.

Section 4. Meter Readings. Bills for water service will state the date on which read, the date of the last prior reading, the respective meter readings on those two (2) dates, the amount of the bill and the last- day for payment before the same becomes delinquent, in addition to any other matters determined by the General Manager. Billings will be based on meter readings. However, if there has been a substantial malfunction or failure of a meter, it shall be the responsibility of the General Manager to cause an investigation and to determine the estimated actual quantity used. Any supplementary statements rendered on account thereof shall be payable within a like period and with like consequences, as a closing bill, as provided in Section 2 of this part. If a previously over-billing has been involved such amounts shall be credited or refunded, if request for refund is made.

Part G. Delinquent Charges; Deposits; Liens; Actions to Collect. In addition to and not in substitution of District's other rights and remedies, the following provisions shall apply.

Section 1. Late Payment Charges. If any statement for water delivered shall become delinquent (See Part F) there shall be added to the other applicable charges interest at the maximum rate authorized by law, commencing with the date on which the same became delinquent, and an administration charge, which the Board hereby determines to be reasonable in relation to District's anticipated costs, of Two Hundred Fifty Dollars (\$250.00) or ten percent (10%) of the billed amount involved, whichever is the lesser, in addition to any reconnection charges under Section 8, Part D.

Section 2. Deposits for Service. Any water user against whom late payment charges have accrued shall be required to make a deposit with District in an amount equal to estimated charges for water for the highest two (2) months of anticipated use in any calendar year, such amount to be determined in the discretion of District's General Manager. Such deposit shall be maintained until the water user has timely paid all bills without delinquency, for a period of twelve (12) consecutive calendar months. Failure to pay any required deposit within ten (10) days of written notice thereof, where service has not theretofore been discontinued, shall be further ground for discontinuance of service by District with reconnection charges as provided in Section 8, Part D.

employees or independent contractors.

**PART I. SERVICE CONNECTION FACILITIES INSTALLED BY DISTRICT; FACILITIES TO BE INSTALLED BY WATER USER; PROTECTION OF DISTRICT FACILITIES.** The following facilities will be installed and maintained by District and water user respectively, subject to all other provisions of these Rules and Regulations.

Section 1. Installation by District. Upon approval of an application for service, payment of all required connection charges and execution by District and water user of any other required agreement, the facilities to be installed by District will consist of any new turnout approved under Part D, Section 5 hereof, a mainline valve, propeller meter, manhole, all required pipe, fittings and couplings, and any and all pipeline to the boundary of District's permanent easement. The facilities may include, as determined by the General Manager, a manifold, secondary valve and a check valve. All such facilities to the boundary of said easement shall be the property of and be maintained by District.

Section 2. District's Assistance in Necessary Rights-of-Way and Easements. Notwithstanding any other provision of these Rules and Regulations, District, under appropriate agreement approved by its Board, may acquire, either consensually or through condemnation proceedings, easements and rights-of-way for lateral or other lines to prospective water users who cannot otherwise obtain such easements and rights-of-way. Such water users will be required to bear all costs and expenses of easement acquisition and installation of facilities therein, which the District will own.

Section 3. Water User's Responsibility for Distribution System. The water user shall provide his own installation and maintenance of facilities from the terminus of District facilities.

**PART J. CERTAIN USES OF WATER AND OTHER ACTS PROHIBITED; RATES FOR PROHIBITED WATER USES.** The following uses and acts are prohibited, and, for prohibited uses and acts, water rates shall be payable in accordance with the following.

Section 1. No Water to be Conveyed to Third Person Except by a Water Purveyor. No water user, except a water purveyor (being one regularly engaged in the business of distributing M&I water) shall, without the prior written consent of District, sell or convey any water obtained from District to any other person or permit any other person to obtain the same from water user's distribution facilities.

Section 2. Uses for Which Rates Have Not Been Established. No water user shall use or permit to be used any water obtained from District for any use or category for which rates have not been established or which requires the consent of District where that consent has not been first obtained in writing. Each water user shall be absolutely responsible for the acts of its distributees in this regard.

Section 3. Unauthorized Connection or Reconnection. Only District personnel are authorized to connect or reconnect service. No other person shall do so.

Section 4. Charges and Rates for Violation. Any water user who violates any of the foregoing sections of this part, and any other person who violates Section 3 of this Part, or who bypasses a District meter, shall be deemed to have agreed to pay double the normal M&I rate, and in the case of a Section 3 violation, all charges which would otherwise be imposed for an authorized connection or reconnection. Nothing herein shall preclude District from disconnecting. In the event of a by-pass of a District meter, it shall be presumed that such by-pass occurred immediately after the last meter reading, and that water has been taken twenty-four (24) hours a day each day thereafter at the full rate of flow which the connection is capable of transmitting, and it shall be the burden of that person to demonstrate to the contrary. The General Manager in such event shall determine the amounts due and, payable from time to time and render a billing which is immediately due and payable.

Section 5. Only District Personnel to Operate or Control District Facilities. No person other

decision to writing without such a request.

Section 2. Appeals. If any such written decision involves the payment of any charge or amount of money, any appeal therefrom as hereinafter provided for shall not excuse the payment when otherwise due and payable had there been no appeal. Provided that all such payments have been made to the District, the water user or prospective water user may file an appeal in writing to the Board within twenty (20) days after the written decision is deposited in the mails or personally delivered to the person affected, specifying the decision appealed from and the grounds of the appeal. The Board shall thereafter hear the evidence on the matter and make its determination in writing. Failure to timely pay any amount involved which becomes due and payable after the filing of the appeal but before hearing shall be deemed an abandonment of the appeal unless the Board should otherwise rule. Any such hearing shall be conducted as close as possible in accordance with normal rules of evidence, but the acceptance of inadmissible evidence shall not be grounds for voiding the decision of the Board. If any refund is then indicated it shall be promptly made, or if the water user or prospective water user so consents shall be credited against subsequent charges. If no appeal is filed within twenty (20) days after the written decision is mailed to the person or personally delivered to him, or any payment called for by said decision is not made concurrently with or before the filing of any such appeal, the decision of the General Manager becomes final and conclusive, unless for good cause shown the Board grants relief from any default in timely filing an appeal or making any payment otherwise due and payable under said decision.

#### PART O. SEVERABILITY; INTERPRETATION.

Section 1. Severability. If any provision of these Rules and Regulations is determined to be invalid, it is the intention that the remainder of these Rules and Regulations shall not be affected thereby.

Section 2. Interpretation. In the event of any ambiguity in these Rules and Regulations or its application, the Board's interpretation shall be final and conclusive.

#### PART P. SPECIAL RULES AND REGULATIONS GOVERNING THE USE OF RECYCLED WATER.

Section 1.1. Introduction. The District by contract with the California Department of Corrections & Rehabilitation (CDCR) will receive disinfected tertiary recycled water ("recycled water") from CDCR's California Correctional Institution in Cummings Valley ("CCP"). The District intends to sell water for irrigation uses enumerated in and in accordance with subpart (a) of section 60304 of Title 14 of the California Code of Regulations. For any other recycled water uses in the future including, but not limited to, industrial processes and commercial, landscape or recreational impoundments, wildlife habitat, and groundwater recharge, the District shall submit additional plans and documents to the State of California, Department of Health Services and the Central Valley Regional Water Quality Control Board for review and approval. These future recycled water applications will be evaluated on a case-by-case basis and shall be evaluated in accordance with the California Environmental Quality Act.

Section 1.2. Purpose. The purpose of these special recycled water rules and regulations is to promote the conservation and reuse of water resources and to ensure maximum public benefit from the use of District's recycled water supply by regulating its use in accordance with applicable federal, state and local regulations. These rules and regulations are also intended to be those required as a condition of issuing a master recycled water project permit pursuant to section 13523.1(b)(3) of the Water Code.

Section 1.3. Policy. Recycled water supplies shall be used to the maximum extent possible for any approved beneficial use. This shall be accomplished through the beneficial use of recycled water in compliance with applicable federal, state and local regulations.

Section 1.4. Intent. The District shall provide recycled water wherever the District determines its use is economically and technically feasible and consistent with these rules and regulations and its

- F. California-Nevada Section American Water Works Association “Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water.”
- G. T-CCWD “Recycled Water Use Guidelines And Best Management Practices” (Sections 7.1-7.7).
- H. T-CCWD “Recycled Water Inspection And Monitoring Program” (Sections 8.1-8.6).
- I. All other Federal, State or local statutes, regulations, ordinances governing the distribution and use of recycled water.

Section 2.1. Definitions.

- A. **“Applicant”**. Party requesting a Recycled Water Service Connection and/or recycled water service from District.
- B. **“As-Built Drawings”**. Engineered drawings that depict the completed facilities as constructed or modified.
- C. **“Backflow”**. A condition that results in the flow of water into District pipelines from a source other than an approved water supply.
- D. **“Board”**. The Board of Directors of Tehachapi-Cummings County Water District.
- E. **“Cross Connection”**. Any unapproved and/or unprotected connection between a standard District water system and a non-potable system.
- F. **“Customer/User”**. Recipient of recycled water service from the District.
- G. **“District”**. Tehachapi-Cummings County Water District and/or the Staff thereof.
- H. **“Service Connection”**. The District’s valve and meter through which a customer takes delivery from the District of recycled water.
- I. **“Recycled Water”**. Disinfected tertiary treated recycled water as defined in section 60301.230 of Title 14 of the California Code of Regulations.
- J. **“District’s Standard Rules and Regulations.”** The Rules and Regulations for the sale, use and distribution of water, of which these special regulations for recycled water are a part (Part P), as adopted by Resolution No. 13-09, and as may be amended in the future.
- K. **“Non-Potable Water”**. Water that is not acceptable for human consumption in conformance with federal, state and local drinking water standards.
- L. **“Off-Site Recycled Water Facilities”**. Facilities under the control of the District from the source of supply (CDCR) to the point of connection to the

- E. Every Service Connection shall be equipped with a valve on the inlet side of the meter to control the water supply through the meter assembly.
- F. District ownership and maintenance responsibilities terminate at the valve on the user's side of the meter assembly.
- G. The standard District water supply system or any public water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of sections 7602(a) and 7603(a) of Title 17 and the approval of the District or the operator of the public water system has been obtained. If a "Swivel-ell" type connection is used it must be used in accordance with the provisions of the Department of Health Services Policy Memo 2003-003. Approved backflow prevention devices shall be provided, installed, tested, and maintained by the recycled water user in accordance with the applicable provisions of Title 17, Division 1, Chapter 5, Group 4, Article 2.

### Section 3.2. On-Site Recycled Water Facilities.

- A. Each customer shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the meter assembly at the Service Connection to the use area in a manner that does not harm or damage any person or property, including any employees or property of the District.
- B. On-site recycled water facilities shall be constructed in accordance with applicable federal, state and local statutes, ordinances and regulations.
- C. The District shall inspect the construction of all recycled water facilities to ensure compliance with applicable regulations.
- D. The District shall approve irrigation system schedules of its customers who shall be obligated to coordinate the scheduling of their irrigation demand among themselves so that all of the District's customers receive their share of recycled water supplied by CDCR to the District in an efficient manner. The District shall have the right to impose schedules upon its recycled water customers if the customers fail to agree.
- E. On-site recycled water facilities shall be tested under active conditions in the presence of the District inspector and most likely a representative from the State DOHS, Kern County Department of Environmental Health Services, Central Valley Regional Water Quality Control Board or other regulatory agency to ensure compliance with local, state and federal conditions.

### Section 3.3. Conversion of Existing Facilities.

- A. Conversion of Existing Facilities to Recycled Water Use. Prior to the conversion of an existing irrigation system to recycled water use, the District at the customer's expense shall, at a minimum, review the record drawings, prepare required reports, and determine the measures necessary to bring the system into

determines recycled water is technically and economically feasible. However, each use must be approved on a case-by-case basis. Determination of the specific uses shall be in accordance with the treatment standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Code of Regulations and to preserve the public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available, as determined by District.

Section 4.2. District's Liability. The District is not responsible for any condition of the recycled water itself, or any substance that may be mixed with or be in recycled water as delivered to any customer, except as required by Title 22 and applicable regulations. The District shall not be liable for any damage from recycled water, including that resulting from inadequate capacity, interrupted service, defective plumbing, broken or faulty services, or recycled water mains; or any conditions beyond the control of the District. All users shall accept the pressure provided at the location of the Service Connection and hold the District harmless from any and all liability, damage, loss, costs, fees or expenses of whatever type or nature, arising from low pressure or high pressure conditions, or from interruptions of service.

Section 4.3. Conditions of Service. Recycled water service will be made available to the customer in accordance with the following terms and conditions:

- A. Compliance with Regulations. The District's recycled water shall be used in a manner that complies with all applicable federal, state, and local statutes, ordinances, regulations and other applicable requirements for the treatment level supplied, as determined by the District.

The use of recycled water shall not, at any time, cause pollution, contamination, or a private or public nuisance, as defined by section 13050 of the California Water Code. Recycled water shall be used by customers at all times in a manner that does not cause illness or injury to any person and in a manner that does not harm or damage any real or personal property of any person or entity, including the District. Customers shall not discharge recycled water into any watercourse unless Waste Discharge Requirements for such discharge have been previously obtained by the customer from the Central Valley Regional Water Quality Control Board.

- B. Studies and Reports. The cost and preparation of any study or report necessary to comply with California Environmental Quality Act (CEQA) or obtaining any permit or other approval required from a regulatory agency shall be the responsibility of the applicant.
- C. Service Constraints. All service is contingent on the quantity and quality of recycled water available to the District from CDCR at CCI and shall be provided in accordance with the terms of the Agreements between the District and CDCR and between the District and the customer.
- D. Distribution. The District reserves the right to control and schedule distribution as necessary to: 1) maintain an acceptable working pressure; 2) safeguard the public health; 3) manage the availability of recycled water supply to each of the District's customers; and 4) construct, maintain, and operate the facilities.

Section 4.7. Wholesale Recycled Water Service. Wholesale recycled water service to another water agency shall be specifically dealt with in a special agreement, by and between the involved water agency and the District covering the terms and conditions for service.

Section 4.8. Discontinuance of Service.

- A. Turn-off At Customer's Request. A customer may request that service be discontinued, either temporarily or permanently, only if permitted and in the manner provided in the Recycled Water Agreement.
- B. Turn-off by the District. The District may discontinue a customer's service for any of the reasons set forth in Part E of the District's Standard Rules and Regulations and for the following additional reasons:
  1. Water Quality. Service may be discontinued if CDCR discontinues recycled water deliveries to the District for any reason or, at any point in the District's distribution system, the recycled water does not meet the requirements of the District or any regulatory agency. Service will, in the latter case, be restored at such time as recycled water again meets the requirements of regulatory agencies.
  2. For Non-Compliance With Terms & Conditions Contained in District's Recycled Water Agreement. The customer's failure to comply with any of the terms and conditions contained in the District's standard recycled water agreement shall result in an enforcement action. The District shall have the right to enforce the agreement by any method provided in the agreement or by any applicable federal, state or local law, rule or regulation.
  3. For Non-Compliance With Regulations. Service may be suspended or terminated in the manner provided herein at any time the customer's operations do not conform to these special rules and regulations as determined by the District in its sole discretion. Where safety of water supply or public health is endangered, or regulations have been violated, service may be suspended immediately without notice. Otherwise, all defects noted shall be corrected within the period of time specified by the District.
  4. For Waste of Water. In order to protect against serious and negligent waste or misuse of recycled water, the District may suspend service if such wasteful practices are not remedied after notice to such effect has been given to the customer.
  5. For Unauthorized Use of Recycled Water. When the District has discovered an unauthorized use, the service may be suspended without notice. Any person obtaining recycled water without District approval will be liable for a penalty charge, as set forth in Part J of these Rules and Regulations. The District shall, as appropriate, notify the State Department of Health Services and the Kern County Department of Environmental Health Services of such unauthorized use. Repeated

- F. As used herein, "Cummings Basin" shall mean all the land overlying the Cummings Valley Groundwater Basin and all non-overlying lands within the Cummings Valley Watershed as defined in Findings of Fact and Conclusions of Law in Kern County Superior Court Case No. 97210.

Section 5.1. On-Site Facilities. Customer shall operate, maintain and control all on-site recycled water facilities in accordance with the requirements established by District, federal, state, and local regulatory agencies. It shall be the sole responsibility of the recycled water user to:

- A. Designate a recycled water supervisor who is responsible for the recycled water system at each use area under the user's control. Specific responsibilities of the recycled water supervisor include the proper installation, operation, and maintenance of the irrigation system; compliance of the project with the District's rules and regulations, prevention of potential hazards, implementation of Best Management Practices and preservation of the recycled water distribution system in its "as built" form. Designated recycled water supervisors shall obtain instruction in the use of recycled water from an institution approved by the State DOHS.
- B. Maintain a copy of these rules and regulations, irrigation system layout map, and a recycled water system operations manual at the use area. These documents shall be available to operating personnel at all times.
- C. Ensure that all on-site operations personnel are trained and familiarized with the use of recycled water.
- D. Furnish its operations personnel with maintenance instructions, irrigation schedules, controller charts, and record drawings to ensure proper operation in accordance with the on-site facilities design, the Recycled Water Agreement, and these rules and regulations.
- E. Prior to the initiation of recycled water service, the recycled water user shall submit plans and specifications for recycled water distribution facilities to the District for review and approval.
- F. The recycled water user shall provide written notification, in a timely manner, to the District of any material change or proposed change in the character of the use of recycled water.
- G. Ensure that the design and operation of customer's recycled water facilities remain in compliance with all the terms of the Recycled Water Agreement and all the terms of these rules and regulations.
- H. Implement on-site controls, which meet the requirements established by District, federal, state, and local regulatory agencies to protect the health of customer's employees and the public.
- I. Notify the District immediately of any and all failures in the system resulting in an unauthorized discharge or a contamination of another system due to a cross-connection on the premises. Customer complaints or complaints received by



3. Property Damage. Any repair costs incurred by District as a result of damage inflicted by the customer or others will be billed to the responsible party. Failure by the responsible party to pay for such costs shall constitute grounds for discontinuance of water service and/or legal action by the District. Amounts paid by the District shall incur interest at 12% per month until paid in full.

Section 5.3. Access to customer's Premises.

- A. The Tehachapi-Cummings County Water District, the Central Valley Regional Water Quality Control Board, the State DOHS, the Kern County DEH, or any other regulatory agency, and any authorized representative of these agencies, upon presentation of proper credentials, shall have the right to enter upon the recycled water use site during reasonable hours, or at any time during an emergency, for the following reasons:
  1. Monitoring and inspecting all recycled water systems to ascertain compliance with these rules and regulations and other regulatory requirements of any regulatory agency.
  2. Installing, maintaining, repairing and reading District owned facilities serving the customer's premises.

Where necessary, keys and/or lock combinations shall be provided to the District for site access.

Section 6.1. Termination of Service. Tehachapi-Cummings County Water District may terminate service to a recycled water user who uses, transports, or stores such water in violation of these special rules and regulations, in violation of the District's Standard Rules and Regulations, or in violation of any Recycled Water Agreement with the District.

The Central Valley Regional Water Quality Control Board may initiate enforcement action against any recycled water user, including but not limited to, the termination of the reclaimed water service, who:

- A. Discharges recycled water in violation of any applicable discharge requirement prescribed by the Regional Board or by the State Water Resources Control Board, or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.
- B. Uses, transports, or stores such water in violation of the rules and regulations governing the design, construction and use of recycled water distribution and disposal systems promulgated by the District; or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.

Section 6.2. Investigation and Initial Determination. District shall investigate all reports of non-compliance with any provision of these special rules and regulations and/or the Recycled Water Agreement to determine the seriousness of the violation. Determination regarding the seriousness will be based upon: 1) the magnitude and duration of the violation; 2) its effect on the operation of the District's

- K. Reclaimed water facilities shall be operated in accordance with best management practices (BMP's) to prevent direct human consumption of reclaimed water and to minimize misting, ponding, and runoff. BMP's shall be implemented that will minimize public contact and preclude discharges onto areas not under customer control and discharges into watercourse.
- L. Customers shall ensure that all recycled water facilities are maintained, operated and repaired at all times in a manner that does not cause illness or injury to any person and in a manner that does not cause damage or injury to the real or personal property of any person or entity, including the District.

Section 7.1.2. Posting of On-Site Notices. All use areas where recycled water is used and that are accessible to the public shall be posted with conspicuous signs, in a size no less than 4 inches by 8 inches, that include the following wording and picture in a size no less than 4 inches high by 8 inches wide: "RECYCLED WATER - DO NOT DRINK". The sign(s) shall be of a size easily readable by the public. The prescribed wording should also be translated into Spanish and other appropriate languages and included in the required signs.

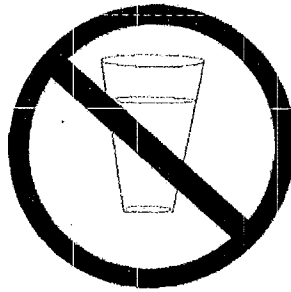


Figure 1

All water outlets shall be posted as "potable" or "non-potable", as appropriate

Section 7.1.3. Worker/Public Protection. Workers, residents, and the public shall be made aware of the potential health hazards associated with contact or ingestion of recycled water, and should be educated about proper hygienic practices to protect themselves and their families.

- A. Workers and others must be notified that recycled water is in use, through the posting of signs, etc.
- B. The following measures should be taken to minimize contact with recycled water:

4. Where lower precipitation rates are required, such as on slopes, reduce nozzle size and spray angle per manufacturer's recommendations.
5. Install booster pumps to increase pressure where needed.
6. Install pressure reducers to decrease pressure where needed, often on steep hillsides where main lines run downhill.
7. Make sure piping is sized to transmit water in the quantity demanded by the system.
8. Use check valves either in-line or built into the sprinkler head assembly to virtually eliminate low head drainage after the valve has closed. THESE DEVICES SUBSTANTIALLY REDUCE RUN OFF AND PONDING FROM INDIVIDUAL SPRINKLER HEADS.
9. Use automatic flow control devices that shut down a system if a break or other similar high flow/low pressure situation develops during irrigation. THESE DEVICES CAN SAVE SIGNIFICANT AMOUNTS OF WATER AND ELIMINATE RUN OFF OR PONDING IF A BREAK SHOULD OCCUR.
10. The use of centralized control systems or controllers that measure or can be programmed to use evaporation rates, or systems that use controls such as moisture sensors is recommended.

#### B. Maintenance.

Maintenance is often the most overlooked irrigation system component. Perform the following routinely, and to fix a problem with the irrigation system.

1. Adjust sprinkler heads so they achieve 80% head to head coverage through out their intended arc. There should be no obstruction that would interfere with the free rotation and smooth operation of any sprinkler, such as trees, tall grass, shrubs, signs, etc. The system should be tested during the daytime so adjustments can be made.
2. Adjust valves or pressure regulators so that the systems are operating at the pressure required by the sprinkler heads or emitters. Test pressures periodically with a pressure gauge to maintain appropriate pressure levels.
3. Routinely test the accuracy of time clocks. Have the time clock recalibrated or repaired as necessary.
4. Repair or replace broken risers, sprinklers, valves, etc. as soon as they are discovered. Replace with appropriate make and model of equipment to maintain uniformity through out the system.

- f) As needed, aerate the soil to improve infiltration of air and water into the soil.
- g) Provide as much flexibility as possible into the design of the irrigation system. Built in ability to make changes as necessary can add to the efficiency of the system.
- h) Perform good horticultural practices; fertilization, mowing, de-thatching, aeration, and pest control, as necessary to create the best growing environment for landscape vegetation.

Because irrigation systems have constant wear and tear, periodic checks and adjustments are all part of good landscape water management programs.

D. Reuse System and Tailwater Ponds:

1. Each customer shall have a system to collect and reuse tailwater, including tailwater ponds with recycling booster pumps of sufficient number, size, construction and location to (a) recycle all excess irrigation water for reuse, (b) contain and confine all irrigation water on the customer's fields and (c) preclude discharge of any recycled water onto adjoining lands or into any watercourse.
2. Each customer shall allow the District to position on those customer tailwater ponds the District selects District owned mobile diesel pumps to be operated by a customer as an emergency backup if a customer's recycling pump fails. At a minimum, the District shall position a mobile diesel pump on any tail water pond which within the previous five years has overflowed onto adjoining land or into a watercourse. The customer shall provide fuel for such pumps and shall promptly reimburse the District for any costs incurred by the District during emergency operation of such backup pumps.

Section 7.1.6. Use of Recycled Water Adjacent to Potable Wells.

- A. Irrigation with recycled water shall not take place within 50 feet of any domestic water supply well unless all of the following conditions have been met:
1. A geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface.
  2. The well contains an annular seal that extends from the surface into the aquitard.
  3. The well is housed to prevent any recycled water spray from coming into contact with the wellhead facilities.
  4. The ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well.

Section 8.1.5. Non-Compliance Issues. It is the policy of the District to remedy a violation as soon as possible through progressive enforcement procedures. This procedure provides the customer due process, and considers the seriousness of the violation when determining the appropriate enforcement action.

Enforcement mechanisms (notices, penalties, fines and termination of service) are described in more detail in the District's "Rules and Regulations Governing the Use of Recycled Water". Enforcement mechanisms are also included in the District's Recycled Water Agreements.

PART Q. RIGHT TO AMEND, ETC.; PROVISIONS PART OF EVERY WATER SERVICE AGREEMENT; CERTAIN OTHER CONTRACTS.

Section 1. Right to Amend. The District retains the right at any time and from time to time, with or without notice, to amend, repeal, or add provisions additional to, any provision in these Rules and Regulations, either by actual amendment hereof, or by successor Rules and Regulations and amendments thereto. Any such change, including but not limited to, increases in rates or re-categorization or uses for rate purposes, or any rule or regulation, shall apply to water service commenced theretofore or thereafter, except to the extent as may be provided in any Term M&I Agreement or other contract.

Section 2. Provisions as Amended Part of Water Service Agreements. Every provision of these Rules and Regulations, as the same may be changed from time to time, whether before or after the entering into of any water service agreement (whether by approval of application alone or by reasons of a Term M&I Agreement) shall be deemed a part of each such water service agreement, and without thereby limiting the foregoing, each water user and co-signing owner shall be deemed to have agreed to District's right to waste, seepage and return flow as provided in Part K, and to have quitclaimed to District any otherwise right, title or interest of water user therein.

Section 3. Incorporation of Provisions of the KCWA Contracts and Master Contract. Every water service agreement is also subject to the provisions of the KCWA Contracts as they may be hereafter amended, and to the extent provided or later provided therein, or otherwise by law, to the provisions of the Master Water Supply Contract between DWR and the KCWA, as the same may be hereafter amended.

are defined in the three judgments in the respective ground water adjudications,<sup>1</sup> local water available to Water user shall include only the following annual quantities and other rights of which Water User owns or leases, and as such annual quantities and other rights are or shall have been reduced, and thereafter adjusted from time to time, by the Court in allocating the allowable annual production from the particular basin, or otherwise reduced in any annual period pursuant to any provisions of the particular judgment as amended from time to time: (i) Such annual quantity or other right originally adjudicated to said Water User in the particular judgment (if any), as so reduced and adjusted, and (ii) such annual quantity or other right originally adjudicated to another party in the particular judgment but subsequently acquired or leased by Water User, as so reduced and adjusted, provided that such transfer complied with all conditions and procedures set forth in the particular judgment.

Notwithstanding the foregoing, said quantities and rights shall be local water available to Water User only in the quantities used or to be used (i) within the basin area as to which the water rights were adjudicated, (ii) within an area to which water appropriated pursuant to an adjudicated water right under the particular judgment may legally be transported.<sup>2</sup> If Water User was entitled under any written agreement in effect when the particular judgment was entered to a transfer of any water right, such quantity shall, upon such transfer, be considered as "originally adjudicated" to said Water User.

(b) Local sources of water not consisting of water which would be produced, extracted or diverted from Tehachapi Basin or its watershed, Brite Basin or its watershed, or Cummings Basin or its watershed, and which would not, if left uncaptured, percolate into any one of said basins. Notwithstanding the foregoing sentence, "Local water available to Water User" shall not include appropriations of groundwater in Cummings Basin as distinguished from extractions by a person exercising overlying rights.

3. As Water User's net imported M & I requirement increases, it shall pay for the installation of any new turnout and connection in the same manner as upon original application, and shall file application therefor, or obtain the remainder of said requirement through any Exchange Pool or similarly named vehicle which may be established pursuant to the reserved jurisdiction of the Court in any of the referenced groundwater adjudications, to the extent the requirement is available therefrom.

4. This agreement is subject to all the provisions of the District's Rules and Regulations including all future amendments thereof. Any application for service concurrently approved or hereafter approved shall likewise constitute a part of this agreement.

5. Within thirty (30) days of the execution of this agreement, and prior to each August 15 thereafter during the term of this agreement, Water User shall furnish to District a written estimate of its

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<sup>1</sup> Tehachapi-Cummings County Water District v. Frank Armstrong, et al., Kern County Superior Court No. 97209 (Cummings Basin); Tehachapi-Cummings County Water District v. City of Tehachapi, a municipal corporation, et al., Kern County Superior Court No. 97210 (Tehachapi Basin); and Tehachapi-Cummings County Water District v. Irving P. Austin, et al., Kern County Superior Court No. 97211 (Brite Basin).

<sup>2</sup> If there is a connected water system of Water User serving either of said types of areas, and other areas, the form of this agreement must be first revised to provide for the method of treatment thereof.

Dated:

TEHACHAPI-CUMMINGS COUNTY  
WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

Dated:

\_\_\_\_\_  
DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

SWP water demand from Table 2-13 of the 2010 Tehachapi Regional UWMP] and (b) sufficient water to establish and maintain Water User's BANKED WATER RESERVE ACCOUNT as provided in paragraph 3 hereafter. Water User shall pay the District for the water purchased hereunder at the Term M&I rate for the Water User's pressure zone, as such rates and zones are established and modified from time to time by the District's Board of Directors.

2. "LOCAL WATER AVAILABLE TO WATER USER" shall include only the following:

(a) As to water intended to be produced, extracted or diverted from Tehachapi Basin or its watershed, as such terms are defined in the judgment, as amended, in *Tehachapi-Cummings County Water District v. City of Tehachapi, a municipal corporation, et al.*, Kern County Superior Court No. 97210 (Tehachapi Basin), LOCAL WATER AVAILABLE TO WATER USER shall include only the following annual quantities and other rights of which Water User owns or leases, and as such annual quantities and other rights are or shall have been reduced, and thereafter adjusted from time to time, by the Court in allocating the allowable annual production from the Basin, or otherwise reduced in any annual period pursuant to any provisions of the judgment as amended from time to time: (i) Such annual quantity or other right originally adjudicated to said Water User in the judgment as so reduced and adjusted, and (ii) such annual quantity or other right originally adjudicated to another party in the judgment but subsequently acquired or leased by Water User, as so reduced and adjusted, provided that such transfer complied with all conditions and procedures set forth in the judgment.

(b) As to water intended to be produced, extracted or diverted from the Brite Basin or its watershed, as such terms are defined in the judgment in *Tehachapi-Cummings County Water District v. Irving P. Austin, et al.*, Kern County Superior Court No. 97211 (Brite Basin), LOCAL WATER AVAILABLE TO WATER USER shall include only extractions by Water User lawfully exercising overlying rights until such time as such rights may be curtailed or modified in any future amendment to such judgment.

(c) As to water intended to be produced, extracted or diverted from the Cummings Basin or its watershed, as such terms are defined in the judgment in *Tehachapi-Cummings County Water District v. Frank Armstrong, et al.*, Kern County Superior Court No. 97209 (Cummings Basin), local water available to Water User shall only include extractions by Water User lawfully exercising overlying rights until such time as such rights may be curtailed or modified in any future amendment to such judgment.

(d) As to water intended to be produced or diverted from any basin other than the Tehachapi, Brite and Cummings Basins, any native water which Water User has a right to divert or pump.

3. In addition to its NET IMPORTED M&I REQUIREMENT, Water User shall purchase from the District and direct the District to spread and store in the Tehachapi [or Cummings] Basin for Water User's account sufficient water to establish and thereafter maintain a BANKED WATER RESERVE ACCOUNT ("BWRA") equal to, at a minimum, five times the annual average of Water User's SWP water demand over the previous five calendar years as set forth in the table entitled "BANKED WATER RESERVE ACCOUNT CALCULATION" attached hereto as **Exhibit A** which the District shall update annually by February 1 (the "BWRA TABLE"). Water User may spread and store water for its BWRA in its own recharge facilities in whole or in part in lieu of directing the District to spread its BWRA water in District spreading facilities. Water User shall pump and draw from its BWRA whenever the District is unable to supply all of the Water User's NET IMPORTED M&I REQUIREMENT on account of drought, damage to SWP or District facilities, or any other event. During the first ten years of the term of this agreement, Water User shall purchase each year, at a minimum,



and provisions hereinafter set forth.

(b). Place of Delivery. Any RECHARGE WATER supplied by the District in lieu of surface deliveries of IMPORTED WATER shall be delivered underground in the \_\_\_\_\_ Basin at the depth of groundwater as it fluctuates in WATER USER'S WELL[S]. Water User shall be responsible for all costs, liability and expense of pumping RECHARGE WATER to the surface and transporting same for use within Water User's boundaries.

(c). Place of Use. Water User shall use RECHARGE WATER to provide retail water to its customers within the District's boundaries and for no other purpose.

(d). Scheduling. On or before November 1 of each year for the balance of the term of the agreement, Water User shall notify the District in writing of the proportion of its NET IMPORTED M&I REQUIREMENT for the following calendar year it wishes to be met with RECHARGE WATER in lieu of surface deliveries of IMPORTED WATER. On or before February 28<sup>th</sup> of each year, the District shall notify Water User of the estimated amount of RECHARGE WATER which is available to be substituted for surface deliveries of IMPORTED WATER in such calendar year. Periodically thereafter, the District shall provide updated estimates as SWP delivery allocations are revised.

(e). Metering. The Water User shall install a meter of manufacture and model approved by the District at WATER USER'S WELL[S] at Water User's expense. The meter shall be maintained in good working order and regularly calibrated so as to comply with the standards of the American Water Works Association per their manuals M6, M33 and M36. Water User shall provide the District with proof satisfactory to the District that Water User has obtained the right to exclusively operate WATER USER'S WELL[S] for the purposes set forth herein and that the owner of WATER USER'S WELL[S] and surrounding lands has conveyed to the District in writing the right to enter such lands to take meter readings at WATER USER'S WELL[S].

(f). Reduction or Termination of Substitute Deliveries. In the event a third party demonstrates that new or increased pumping of RECHARGE WATER by Water User as herein provided is causing significant impacts on the third party's existing well or wells, the Water User shall confer with such third party and mitigate such impacts to a level acceptable to such third party, failing which the District in its sole discretion may determine the rate of pumping and quantities of RECHARGE WATER which Water User may extract in lieu of surface deliveries of IMPORTED WATER provided, however, the District shall provide Water User with fifteen (15) days prior written notice of any reduction or termination of allowed pumping of RECHARGE WATER hereunder.

(g). Price. For RECHARGE WATER delivered and metered by the District hereunder, except for water recharged through facilities owned and operated by the Water User, Water User shall pay the District, in addition to the Term M&I rate, a surcharge determined by the District from time to time to recapture the construction, operation and maintenance costs of the District's recharge facilities.

(h). Spreading Loss Factor. For all water spread, whether in the District's or the Water User's spreading facilities, a spreading loss factor of 6% will be imposed pursuant to Section 1 of Part B of the District's Rules and Regulations for losses on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of RECHARGE WATER.

(i). Disclaimer. Water User acknowledges that the District's right to RECHARGE WATER within the Cummings, Brite and Tehachapi Basins has not been determined but is a matter within the continuing jurisdiction of the Kern County Superior Court in Case No. 97209, 97210

Dated: \_\_\_\_\_

TEHACHAPI-CUMMINGS COUNTY  
WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary  
("District")

Dated: \_\_\_\_\_

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary  
("Water User")

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**EXHIBIT 3.3**

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**38<sup>TH</sup> ANNUAL WATERMASTER REPORT FOR TEHACHAPI BASIN**

**REPORT OF TEHACHAPI-  
CUMMINGS COUNTY WATER  
DISTRICT AS WATERMASTER FOR  
CALENDAR YEAR 2011**

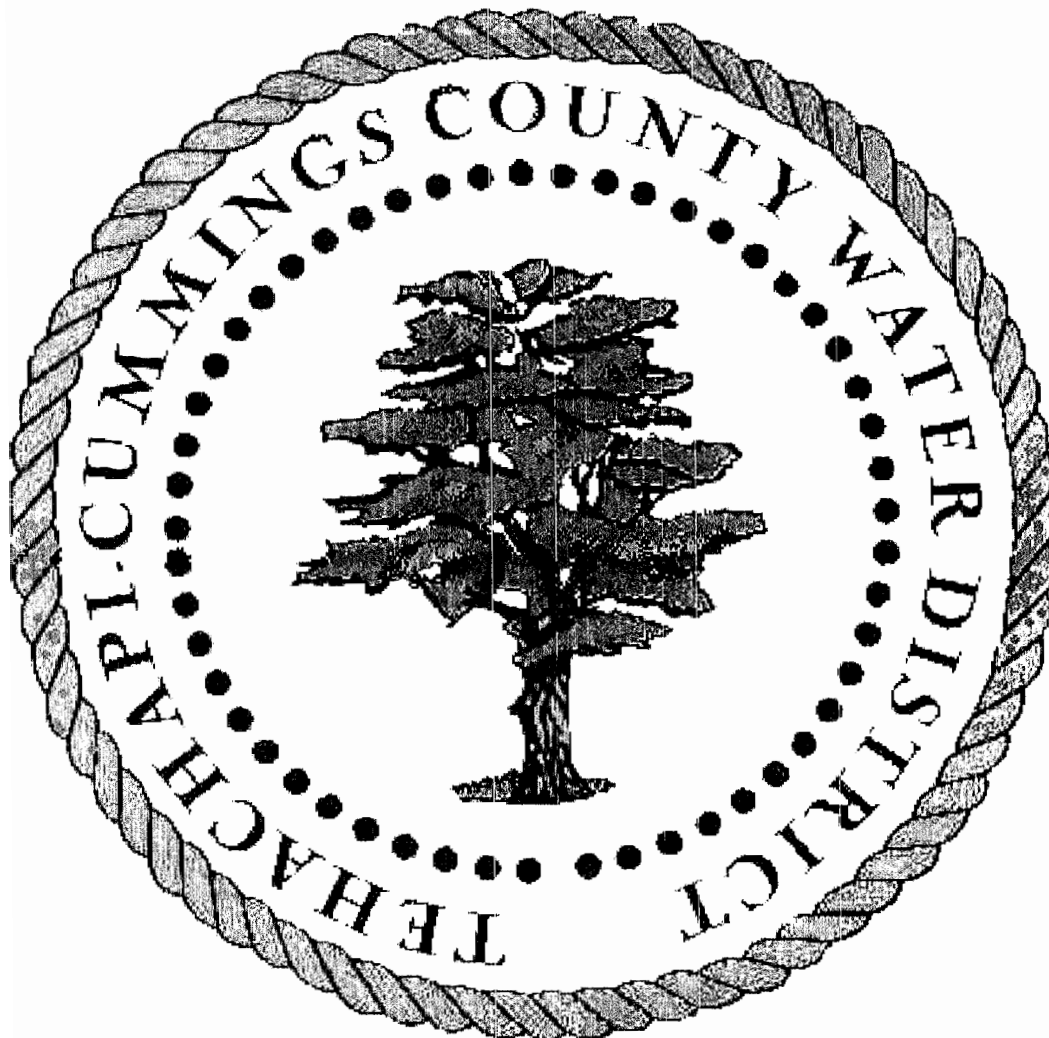
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TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

BY: \_\_\_\_\_ DEPUTY



**THIRTY-EIGHTH ANNUAL  
WATERMASTER REPORT  
FOR TEHACHAPI BASIN**

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF KERN

TEHACHAPI-CUMMINGS COUNTY )  
WATER DISTRICT, a Body )  
corporate and politic, )

Plaintiff )

No. 97210 )

vs. )

THIRTY-EIGHTH ANNUAL REPORT )  
TEHACHAPI BASIN WATERMASTER )  
(For Calendar Year 2011) )

(A) CITY OF TEHACHAPI, )  
a municipal corporation et al., )

Defendants. )

## TABLE OF CONTENTS

<b>FOREWORD</b>		(ii)
<b>I. THE TEHACHAPI BASIN</b>		
Description of Tehachapi Basin		1
History of Water Management Program		1-3
<b>II. OWNERSHIP AND TRANSFER OF WATER RIGHTS</b>		3
Table 1 Ownership of Base Water Rights		4-8
Table 2 Current Ownership of Party Domestic Wells		9
Table 3 Temporary Transfer of Allowed Pumping Allocations		10
<b>III. GROUND WATER BASIN OPERATION</b>		11-13
Figure 1 Map of Ownership Lands Having Agricultural Water Rights and Active Wells at Time of Judgment		14
Figure 2 Water Facts, No. 7, Numbering Water Wells in California		15-18
Figure 3 Allowed Pumping Allocation and Total Basin Operation		19-20
Figure 4 4a, 4b, 4c, 4d, 4e, 4f Hydrographs		21-23
Figure 5 Imported Water Returned to Tehachapi Basin		24
Figure 6 Calculation of Stored Water Credit		25
Figure 7 Executive Summary of Tehachapi Basin Groundwater Study		26-30
<b>IV. CLAIM BY TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT TO RETURN FLOW FROM IMPORTED WATER</b>		31
<b>V. AMENDMENTS TO WATERMASTER RULES AND REGULATIONS</b>		32
Figure 8 Resolution TW1-2011, Amending and Restating Rules and Regulations		33-68
<b>VI. MATTERS CONSTITUTING WRITTEN FINDINGS OF DETERMINATIONS</b>		69

## FOREWORD

The Tehachapi-Cummings County Water District as Watermaster for the Tehachapi Basin submits this Thirty-eighth annual report as a review of the water supply, operation, and condition in the Basin during the 2011 calendar year. This report is prepared for the Superior Court in the County of Kern and for the parties to the Tehachapi Basin Judgment, whose provisions authorize this publication. This report contains information on the following:

- (a) Groundwater conditions;
- (b) Groundwater extractions and base water rights as of December 31, 2011;
- (c) Exchange pool operation;
- (d) Use of imported water;
- (e) Claim by Tehachapi-Cummings County Water District to all return flow, waste and seepage resulting from water imported by District;
- (f) Change of ownership of water rights, leases, and licenses thereof;
- (g) A statement in a separate section, of those matters in the report which constitute written findings, order, or determination as provided for in subparagraph 15 (c) of the Amendment to Judgment; and
- (h) A designation of those lands on which agricultural water rights had been developed.

Address of Tehachapi-Cummings County Water District as Watermaster is:

P. O. Box 326  
22901 Banducci Road  
Tehachapi, CA 93581  
Telephone (661) 822-5504  
Email: [tccwd@tccwd.com](mailto:tccwd@tccwd.com)

## I. THE TEHACHAPI BASIN

### DESCRIPTION OF TEHACHAPI GROUNDWATER BASIN

The Tehachapi groundwater basin surface is generally the Tehachapi Valley floor, bordered on the west by the foothill area of the low-lying ridge running north and south between the Tehachapi Mountains and the Sierra Nevada. It is bordered on the north by the Sierra Nevada; on the south by the Tehachapi Mountains; and on the east by a ridge of the Sierra Nevada and the Tehachapi Mountains, separated by Proctor Gap. The Tehachapi Basin is generally elongated east and west approximately 9 miles wide, and approximately oval-shaped and 5 miles wide at its widest. The Tehachapi groundwater basin may be pictured as a bowl, the bottom and sides of which are composed of impervious materials. The bowl is filled with heterogeneous pervious alluvium deposited through geologic time by the streams carrying eroded materials from the surrounding watershed areas.

Surface outflow from Tehachapi Valley occurs during time of heavy storms via Tehachapi Creek to the west and Cache Creek to the east. Surface and subsurface basin inflow occurs from the creeks of the surrounding watershed areas and replenishes the groundwater within the basin. Subsurface outflow is restricted by the impervious rock outcroppings in the Tehachapi Creek outlet on the west and by the narrow Proctor Gap. Groundwater is stored within the alluvium of the basin. The average annual safe yield of groundwater within the basin has been determined by the Court to be 5,500 acre feet.

### HISTORY OF WATER MANAGEMENT PROGRAM

The Tehachapi Cummings Water Conservation District was formed in 1961 to carry out basic groundwater and watershed studies. This was a continuation of the Tehachapi Soil Conservation District's efforts in seeking solutions to water shortages within the area.

The Tehachapi-Cummings County Water District was formed February 16, 1965, by popular vote within the District, replacing the Tehachapi-Cummings Water Conservation District. A citizens advisory committee, composed of a cross section of community residents, was established. This committee worked for more than a year on the basic solution to the groundwater overdraft and water shortage within the three major groundwater basins of the district.



In addition to restricting groundwater extractions, the Judgment and Amendment thereto, in general

1. With certain exceptions specified in the Judgment, enjoined and restrained the parties from exporting groundwater extracted from Tehachapi Basin outside of the Tehachapi Basin areas, as said areas are defined in the Judgment;
2. Enjoined and restrained parties from exporting outside of Tehachapi Basin watershed, as said area is defined in the Judgment, surface water diverted within Tehachapi Basin watershed; and
3. Enjoined and restrained the parties from making any diversions of surface waters within Tehachapi Basin watershed, except to the extent of diversions having been made by any such party as of the water year prior to the commencement of said action  
Case No. 97210.

First deliveries of State Project water and operation of the exchange pool within the Tehachapi Basin began in early 1974. The Tehachapi-Cummings County Water District project works and the Tehachapi Groundwater Management Program have successfully completed their thirty-eighth year.

## **II. OWNERSHIP AND TRANSFER OF WATER RIGHTS**

Table 1 describes ownership of base water rights as of December 31, 2011 and shows permanent transfers in ownership of base water rights through 2011.

Table 2 shows the current ownership of party domestic wells as of December 31, 2011.

Table 3 indicates temporary transfers of allowed pumping allocations, which occurred during 2011.

Party and Successor		Base Water Right (Acre Feet Per Year)
**Golden Hills Community Services District, a body corporate & politic	159.000	1,299.000
Successor to White Oak Knolls	6.000	
Successor to Gary Warner	10.000	
Successor to Fowler & Schaeffer	31.000	
Successor to Cozette Sullivan Trust	300.000	
Successor in Part to Jack Iriart	140.000	
Successor to Conner Revocable Trust	48.000	
Successor to Blair Land Co., Inc.	60.000	
Successor to Sierra National Bank	163.000	
Successor to Paul and Marit Robb	115.000	
Successor to Mettler & Armstrong	57.000	
Successor in Part to Gary Bozenich	23.000	
Successor in Part to Don Carroll	55.000	
Successor in Part to Grant Frezieres	100.000	
Successor to Mid Valley Ventures	32.000	
Grand Oaks Water Company, a corporation		6.000
KunSik Ha and Kyung Ran Ha		135.000
Successor to Vernon E. Blain and Dolly I. Chandler	35.000	
Successor to Tae Won Kang	64.210	
Successor to Hailu Ejigu and Enanu Ejigu	35.790	
Kenneth R. Hensler, Successor in Part to Lorene Gilreath		1.500
Richard Hwang, Successor to Valley Development Unit III Transfer in Part to Nunhems USA, Inc.	(13.000)	13.000
Joaquina Iriart for life, then to Jack C. Iriart as to remainder	172.500	0.500
Transfer to Golden Hills CSD	(140.000)	
Transfer to Mid Valley Ventures	(32.000)	
Gwendolyn Jones		10.000
Successor in Part to Joaquina Iriart & Jack C. Iriart		
Alice Keel		3.000
Alice Knaus, Successor to Melvin & Frances Ruff		4.000
John Kolesar, Successor in Part to Lorene Gilreath		1.500
Kubicek Trust, Successor in Part to Tehachapples		305.000

Party and Successor	Base Water Right (Acre Feet Per Year)
Estate of John H. Starbird, Successor in Part to Jack C. Iriart	10.000
Gerson Stiekman Trust	23.000
Successor in Part to E.R. Conner & Grant Frezieres	15.000
Successor in Part to E.R. Conner & Grant Frezieres	8.000
Transfer to Benezra Tehachapi Ptn.	(8.000)
Successor to Benezra Tehachapi Ptn.	8.000
Sun Trail, Inc. Successor in Part to Tehachapples	305.000
Tehachapi, City of, a municipal corporation	2,733.000
Successor in Part to Sue Sullivan	753.000
Successor to J. Morgan Greene & Margaret L. Greene	40.000
Successor in Part to Tehachapi Unified School District	266.000
Successor to John Nunes	45.000
Successor in Part to Tony & Rita Damiana	1561.000
Successor to Ashtown Mutual Water Co.	20.000
Successor to Tony & Rita Damiana	42.000
	6.000
Tehachapi-ET Ventures, LLC	0
Successor to Joan M. Jurenka	77.000
Transfer to Jeffrey and Heidi Ciachurski	(77.000)
Tehachapi Hospital, Successor to Gene A. Gale, et al	58.000
Tehachapi Public Cemetery District, a political subdiv.	11.000
Tehachapi Unified School District, a body politic	7.000
Successor in Part to G. Wilder	30.000
Successor in Part to Fred Patterson	12.000
Transfer in Part to City of Tehachapi	10.000
	(45.000)
Union Pacific Transportation, a corporation	98.000
Volz, Herbert and Karin	10.000
Successor to Dee C. Hindman	19.000
Transfer in Part to Scott and Marian Baker	(9.000)
Gerald Vukich Successor to Don Adams Land Company	3.000

**TABLE 2. OWNERSHIP CHANGES OF PARTY  
DOMESTIC WELLS TO 2011**

<u>NEW OWNER</u>	<u>WELL NUMBER</u>	<u>PREVIOUS OWNER</u>
JP Morgan Chase	13N1	Carolyn Miner
M&N Ranch	24D3/24D4	Tower Woodford Ranch LLC
Joseph Tautkus	26B2	David Turowski

### III. GROUNDWATER BASIN OPERATION

The lands within Tehachapi Basin on which agricultural water rights had been developed are shown on Figure 1. These lands are identified on the map of ownership as entered in the Judgment and the Amendment to Judgment. Also illustrated on Figure 1 are wells that are actively producing together with a few inactive wells for which hydrographs are drawn in Figures 4A through 4F. Figure 2 is an aid for locating on Figure 1 any wells with an assigned well number as found on the hydrographs and in Figure 3.

The Tehachapi Basin Watermaster continues to make seasonal soundings of selected wells throughout the Basin. These measurements provide data indicative of groundwater elevation changes. Figures 4A through 4F are continuations of well hydrographs used as exhibits during the Tehachapi Basin trial. As of November 1971, Well No. 32S/33E-21E2 could no longer be sounded, and readings began at that time on nearby Well No. 32S/33E-21L1. As of December 1976, Well No. 32S/33E-21L1 was destroyed.

Operation of the Exchange Pool was suspended in 1997 because of changes in land use and permanent transfers of agricultural water rights to M&I interests. It should be noted that exchange pool provisions such as those contained in the Tehachapi Basin Judgment and Amendment to Judgment have become unnecessary in many of the 22 other adjudicated groundwater basins in California because of changes in land use and changes in ownership of water rights.

The groundwater operation for Tehachapi Basin is described in Figure 3. For the 2011 calendar year, parties are listed with total amounts pumped. Also included in Figure 3 are Allowed Pumping Allocations, temporary transfers of water rights, and allowable carryovers (or over-extractions). In addition to the total amount pumped as shown in Figure 3, an estimated 308 acre feet of non-metered groundwater was produced by small domestic users.

Paragraph 12 of the Amendment to Judgment provides for each party, pumping less than its Allowed Pumping Allocation during a particular calendar year, to carryover for the next two succeeding years an amount not to exceed 25% of its Allowed Pumping Allocation. Such carryover not pumped by the end of the second year will remain within the Tehachapi Basin. The order in which water is pumped by a party from the Basin during a calendar year is as follows: first, its Allowed Pumping Allocation including leased water; next, any carryover from the previous two years with the oldest portion being pumped first and finally, artificial replenishment water, that is, imported water purchased from the District and intentionally spread and stored in the basin.

In 2011, the Tehachapi-Cummings County Water District delivered imported State Project Water directly from its surface facilities for use within the Tehachapi Basin in the following quantities: for agricultural use 170 acre feet, for municipal/industrial use 284 acre feet and for artificial replenishment 2,023 acre feet. Return flows from imported State Project Water are shown in Figure 5.

The District, in cooperation with the City of Tehachapi and Golden Hills Community Services District retained Fugro West, Inc. to prepare a Groundwater Modeling Study for the Tehachapi Basin as part of the Watermaster's ongoing program to better understand the hydrogeology of the Tehachapi Basin. That report was completed in 2009. The Executive Summary of the Tehachapi Basin Groundwater Study is included herein as Figure 7.

Resolution No. 3-96 authorized pumping of recharged imported water in lieu of surface delivery of imported water. The Tehachapi-Cummings County Water District in cooperation with the City of Tehachapi constructed groundwater recharge facilities, which enable the District to store imported State Project Water for subsequent extraction and beneficial use. Sound groundwater management has been significantly improved by the above in terms of improvement of water quality and groundwater banking to ensure adequate local water supplies during drought years. A copy of Resolution No. 3-96 is included herein as Figure 8.

The Tehachapi-Cummings County Water District became aware of the sudden appearance of nitrate levels exceeding the California maximum contaminant level in two wells within the Tehachapi Basin in February 1998. The two wells are located within the Ashtown Mutual Water Company's service area, immediately adjacent to the north and east city limits of the City of Tehachapi. These two particular wells served 72 lots within a single subdivision known as "Ashtown".

Pumping of the two Ashtown wells was immediately discontinued following the connection of the subdivision to the City of Tehachapi's water supply system. The 72 lots within Ashtown were developed in 1955 and had individual septic systems. The long term percolation of septic system effluent into the groundwater basin immediately adjacent to Ashtown's domestic water supply wells is responsible for the nitrate contamination of the groundwater supply in the local area. The City of Tehachapi has annexed the Ashtown subdivision, constructed a new water delivery system within the subdivision and has connected all 72 lots within Ashtown to the City's wastewater treatment plant. The Tehachapi-Cummings County Water District acquired the two Ashtown wells, constructed a pipeline from the wells to the District's transmission system and began pumping the wells in June 1997. Funding of the above nitrate remediation project was provided by the Kern County Community Development Department, USDA Rural Development Department, Ashtown Mutual Water Company (subsequently dissolved with all water rights and funds held by the water company transferred to the City of Tehachapi, under an agreement with the City dated January 28, 1998), Tehachapi-Cummings County Water District and the City of Tehachapi. This was a good example of local community and government cooperation.

# water facts

No. 7

## Numbering Water Wells in California

### Why a State Well Number is Necessary

A systematic and uniform procedure for numbering wells in California is necessary for the following reasons:

1. California has between one to two million wells of all shapes, sizes, and conditions. On the average, 10,000 to 15,000 more wells are added to this total each year. During droughts the number of water wells built each year increases temporarily.
2. The Department of Water Resources has more than 1 million records from water wells, monitoring wells, and cathodic protection wells on file including construction logs; measurements of depth to water; physical, chemical and bacteriological analyses; and pumping records.
3. Many state, federal, county, city, and local water agencies build and extract water from or inject water into these wells, or obtain samples for analysis and measurements of depth to water from these wells.

To prevent uncoordinated numbering of wells by numerous agencies, which would result in confusion, a single agency is responsible for the assignment of well numbers. That responsibility and authority belongs to DWR because:

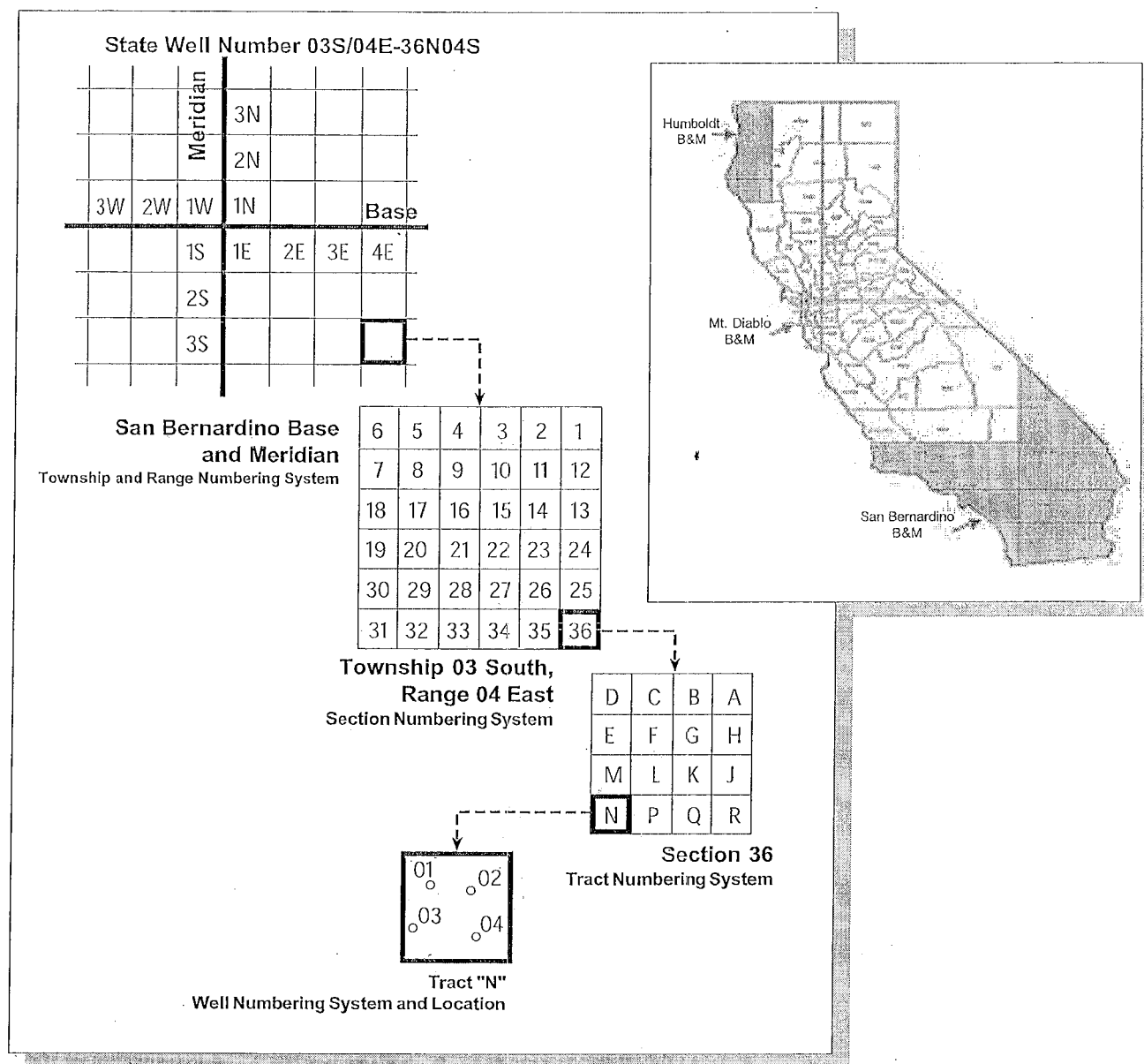
- DWR is the legal and prime repository for groundwater information in California.
- DWR also has responsibility and authority for surveying and mapping and related cartographic activities in California.

### The Well-Numbering System

The State's well-numbering system is based on a rectangular system called the "**United States System of Surveying the Public Lands**," commonly referred to as the "**Public Lands Survey**," established by the Continental Congress in 1784. Under it all tracts of land are referenced to an initial point and identified as being in a **township**. A township is a square parcel of land six miles on each side. Its location is established as being a certain number of six-mile units east or west of a north-south line running through the initial point (called the "**principal meridian**") and a certain number of six-mile units north or south of an east-west line running through the initial point (called the "**baseline**").

In California there are three initial points and corresponding principal meridians and baselines (see the figures on page 3). They are Mount Diablo, San Bernardino, and Humboldt, and we identify them

***Water Facts** are short reports on water resources issues of general interest. They are published periodically by the California Department of Water Resources and can be obtained free by contacting DWR Bulletins & Reports, P.O. Box 942836, Sacramento, CA 94236-0001; 916/653-1097.*



counties in each district are listed on page 4. If you are uncertain about which office to contact or if you need additional assistance, contact the Statewide Well Standards Coordinator in the Division of Planning and Local Assistance in Sacramento at (916) 327-8861.

Your request should be accompanied by:

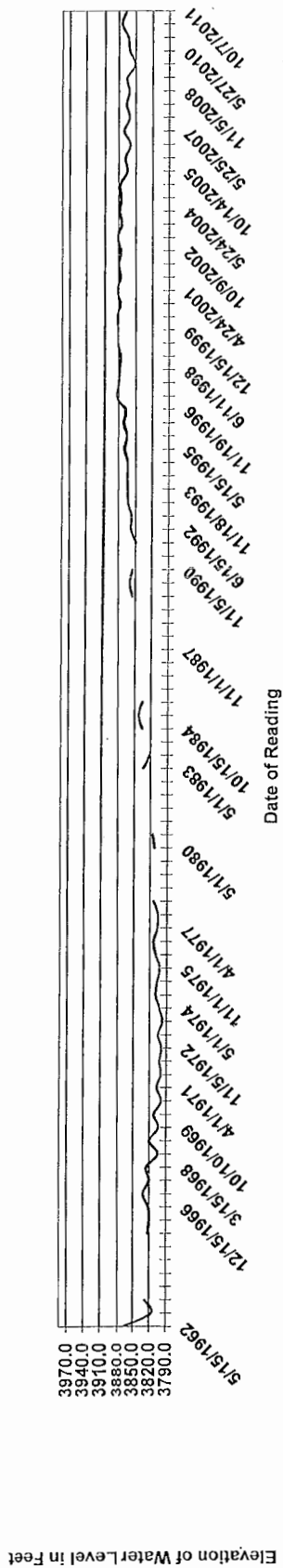
1. A map of reasonably large scale or a sketch map showing the location of the wells with respect to prominent manmade features or natural landmarks and the distance to them. A most useful map is the standard USGS 7.5-minute quadrangle topographic map with a scale of 1:24000 (a little over 2-1/2 inches equals one mile).



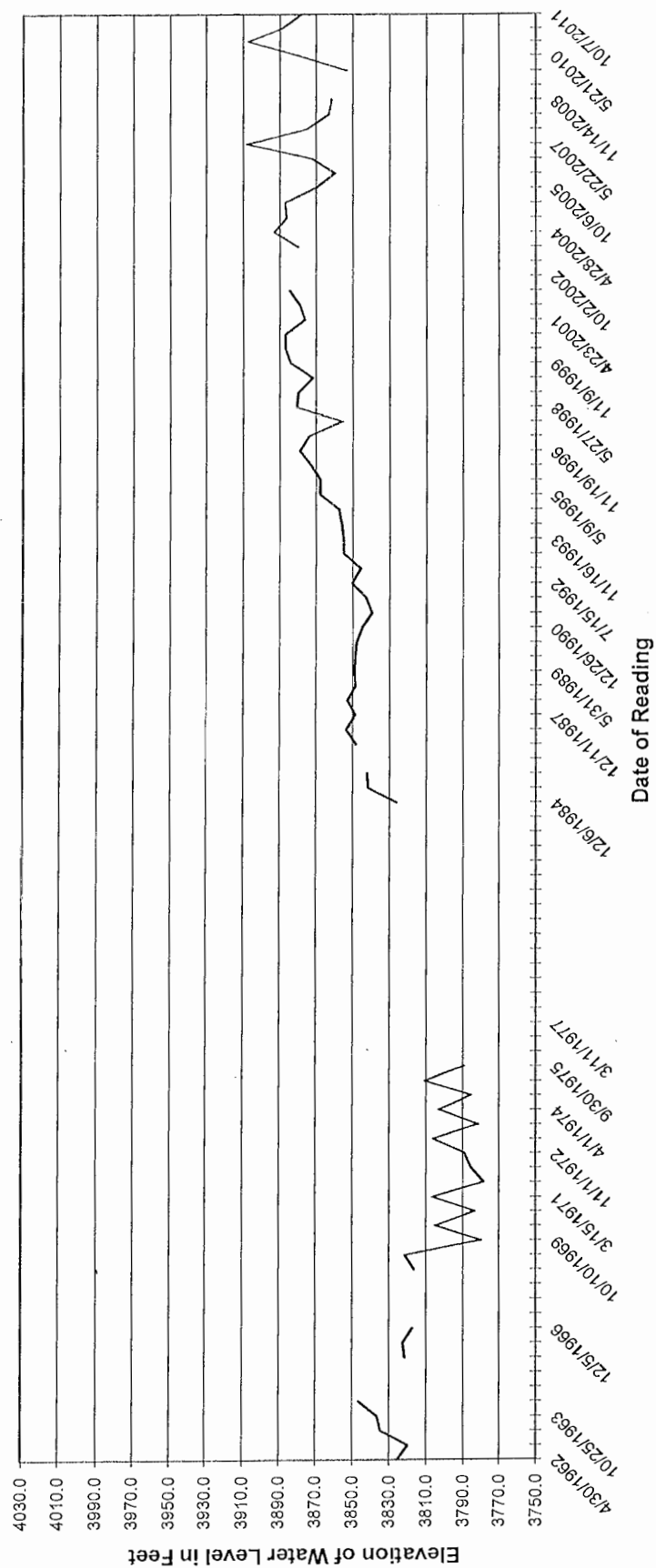
FIGURE 3. ALLOWED PUMPING ALLOCATION AND TOTAL BASIN OPERATION (IN ACRE FEET) FOR 2011

Party and/or Successor	Allowed Pumping Allocation	APA Leased In	APA Leased Out	Ded. For Over-extraction	Allowed Carryover Into 2011	Extractions by Source:				Remaining APA	Portion From 2010 Carryover	Portion From 2011 Carryover	Allowed Carryover Into 2012
						Allowable Extractions	From APA	2009 Carryover	2010 Carryover				
Abel Trustee, Diana P.	11,040				5,524	16,564				16,564	2,762	2,762	5,524
Abel, Mirta	8,280				4,142	12,422				12,422	2,071	2,071	4,142
American Cement Company	-	0.667			-	0.667	(0.667)			-	-	-	-
Arnds, Theodore	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Baker, Scott and Marian	6,000				3,000	9,000				9,000	1,500	1,500	3,000
Benz, Paul	6,000				3,000	9,000				9,000	1,500	1,500	3,000
Benz Visco Youth Park	-	100.000			123,525	223,525	(56,985)			166,540	25,000	25,000	50,000
Bozenich, Gary	21,333				10,666	31,999				31,999	5,333	5,333	10,666
Burgeis, Donald & Betty	16,000				8,000	24,000				24,000	4,000	4,000	8,000
Ciachurski, Jeffrey	81,333				40,666	121,999				121,999	20,333	20,333	40,666
Continuity I, LLC	48,667				24,334	73,001				73,001	12,167	12,167	24,334
Cooper, W.W. & Alice	10,222				5,110	15,332	(0.131)			15,201	2,555	2,555	5,110
Crystal Organic Farms	-	453.333			55,588	508,921	(451,027)			57,894	55,588	-	55,588
Dye, Lewis M., Jr.	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Frezieres, Grant	6,000				3,000	9,000				9,000	1,500	1,500	3,000
GE Wind Energy, LLC	50,000				25,000	75,000	(1,045)			73,955	12,500	12,500	25,000
Golden Hills OSD	866,000	838,667	(514,001)		937,048	2,127,714	(1,192,503)			935,211	261,109	-	261,109
Grand Oaks Water Corp.	4,000	26,667			5,574	36,241	(30,667)	(7,792)	(4,162)	(6,380)	(6,380)	(6,380)	(6,380)
Hia, Kun Sik and Kyung Ran	90,000				49,498	139,498	(73,342)			66,156	16,428	16,658	33,086
Hensler, Kenneth	1,000				0.500	1,500				1,500	0.250	0.250	0.500
Hwang, Richard T.	8,667				6,509	15,176				15,176	4,339	2,167	6,506
Iriart, Jack C.	0.333				0.166	0.499				0.499	0.083	0.083	0.166
Jones Estate, Gwendolyn	6,667				3,334	10,001				10,001	1,667	1,667	3,334
Keel, Alice	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Kern County Waste Mgmt.	-	10,000			5,000	15,000	(4,866)			10,134	2,500	2,500	5,000
Knaus, Alice	2,667				1,801	4,468	(2,196)			2,272	0.467	0.471	0.938
Kolesar, John	1,000				0.500	1,500				1,500	0.250	0.250	0.500
Kubicek Trust	203,333		(203,333)							-	-	-	-
Kundert Brothers	-	203,333			139,902	343,235	(175,751)			167,484	50,833	27,582	78,415
Larson, Russell	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Lees, Spencer H.	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Lehigh Southwest Cement Company	1,162,667		(910,667)		324,542	576,542	(2,203)			574,339	62,375	62,375	124,750
Lokey, John R. & Adele	2,000				1,000	3,000				3,000	0.500	0.500	1,000
Mathews, Don	4,667				2,334	7,001				7,001	1,167	1,167	2,334
Mendez, Frank	12,000				6,000	18,000				18,000	3,000	3,000	6,000
Meridith, Clifford	10,667				5,334	16,001	(0.154)			15,847	2,667	2,667	5,334
Mills, John E. & Gracie E.	12,667				6,334	19,001				19,001	3,167	3,167	6,334
Total Page 1	2,663,210	1,632,667	(1,628,001)		1,811,931	4,479,807	(1,991,537)	(7,792)	(4,162)	2,476,316	560,111	211,845	771,956

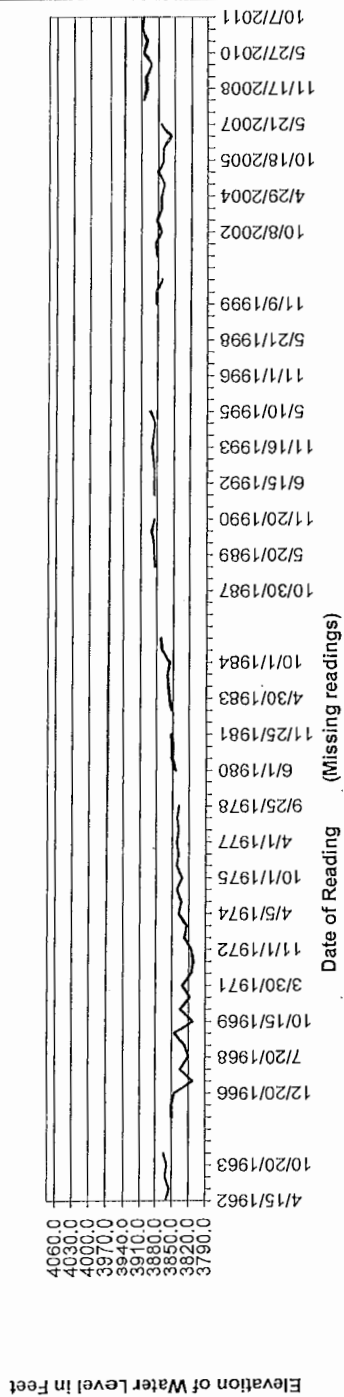
# Hydrograph of State Well 32S/33E-20P1      Ground Surface Elevation 3983.5



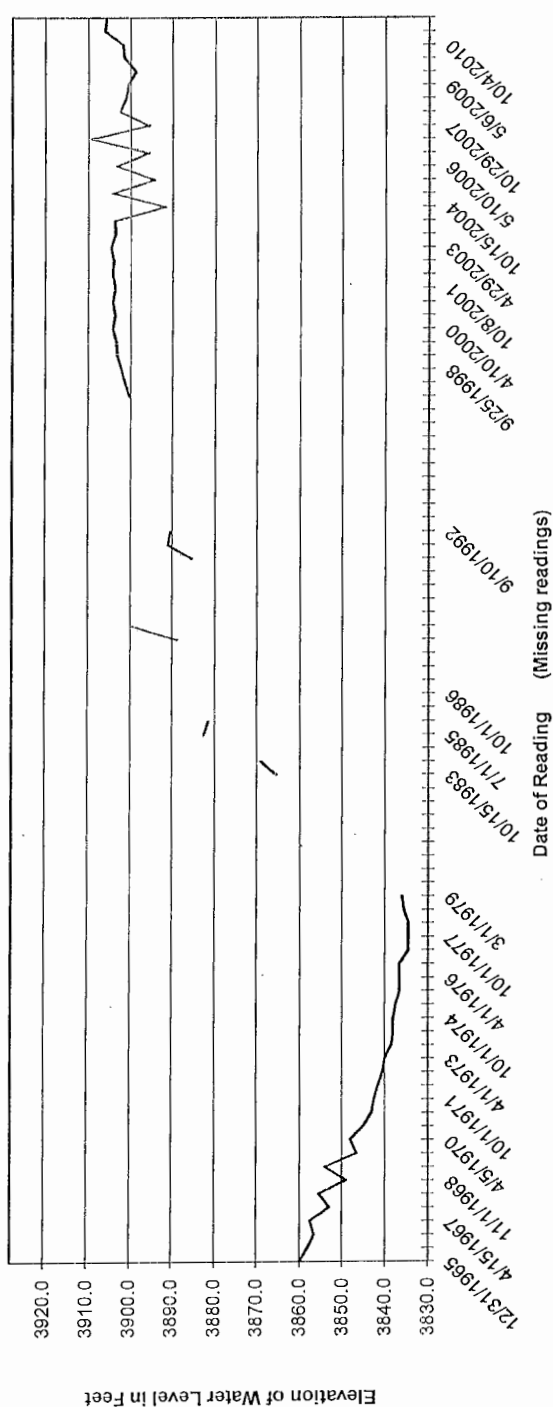
# Hydrograph of State Well 32S/33E-21P1 (Continuation of Old State Wells 32S/33E-21E2 & 32S/33E-21L1) Ground Surface Elevation 4030.4'



Hydrograph of Well 32S/33E-28M1 Ground Surface Elevation 4074.5 ft.



Hydrograph of Well 32S/34E-28L2 (Continuation of Old Well 32S/34E-28K1) New Ground Surface Elevation 3924.8 ft.



**\*FIGURE 6. CALCULATION OF STORED WATER CREDIT  
2011 TEHACHAPI BASIN (ACRE FEET)**

	TCCWD			GOLDEN HILLS CSD RECHARGE	CITY OF TEHACHAPI RECHARGE
	RETURN FLOW	RECHARGE	TOTAL		
1. STORED WATER CREDIT (AS OF JAN. 1, 2011)	3,528	1,665	5,193	2,177	866
2. CONTRIBUTION TO STORAGE FOR TCCWD	26	2,023	2,049		
3. CONTRIBUTION TO STORAGE FOR OTHERS (ADDED IN EXCHANGE FOR WHEELED WATER)		412	412	418	200
4. EXTRACTION RIGHT 2011 WATER YEAR	3,554	4,100	7,654	2,595	1,066
5. 2011 EXTRACTIONS	(88)	0	(88)	0	0
6. SPREADING LOSS		(121)	(121)	(19)	
7. STORED WATER CREDIT (AS OF JAN. 1, 2012)	3,466	3,979	7,445	2,576	1,066

\*WITHOUT REGARD TO "ANNUAL PUMPING ALLOCATION"



The groundwater model was calibrated by adjusting key hydraulic model parameters until a reasonable match between measured and modeled groundwater levels was achieved at well locations distributed throughout the Model Domain. Once satisfactorily calibrated, the groundwater model was considered ready for evaluating future scenarios in the Basin.

## SCENARIOS

The calibrated groundwater flow model was successfully used to evaluate three future scenarios, each dealing with water supply and demand issues. Sufficient data was not available to evaluate a fourth scenario related to nitrate transport in the Basin. Instead, a groundwater nitrate monitoring program was recommended to eventually generate a sufficient database to properly develop the nitrate transport model. The simulation period for each scenario was from 2005 to 2023. Descriptions and major findings of each scenario are described below.

### Scenario 1

Scenario 1 evaluated the “future baseline conditions” in the Basin. It represented a “no change” future scenario in which water demands are constant year-to-year from 2005 to 2023. Scenario 1 provided a baseline upon which all other scenarios can be compared to assess the impacts of changed conditions on the Basin. Under Scenario 1, anthropogenic groundwater recharge and discharge stresses in the aquifer are constant year-to-year from 2005 to 2023. Anthropogenic recharge consists of intentional recharge for conjunctive use programs, urban and rural domestic wastewater discharges to the subsurface, and agricultural return flows. Anthropogenic discharge consists of groundwater pumping to meet urban, agricultural, rural domestic, and miscellaneous municipal & industrial (M&I) water demands. Scenario 1 also assumes that State Water Project (SWP) deliveries within the Basin are constant for each year from 2005 to 2023 and are the same as those from 2007. Annual natural (i.e., non-anthropogenic) recharge stresses from 2005 to 2023, however, are assumed to be identical to those from 1986 to 2004. In other words, the climate from 1986 to 2004 is assumed to repeat itself from 2005 to 2023. Natural recharge includes deep percolation of precipitation and precipitation runoff in intermittent streams.

Under Scenario 1, groundwater storage decreased by 127 acre-feet (AF) in the Model Domain from 2005 to 2023, for an average storage change of -7 acre-feet per year (AFY). Annual groundwater storage changes varied widely from -1,657 to 4,448 AF. Annual recharge also varied from 3,471 to 9,971 AF. Modeled average annual recharge was 5,317 AF, in comparison to the adjudicated safe yield of 5,500 AFY.

The greatest groundwater level declines in Hydrologic Unit 4 occurred in the vicinities of the two northwest-southeast trending fault zones and generally ranged from 20 to 30 feet. Measurable declines also occurred in Hydrologic Unit 2 along the fault zone and in proximity to wells 32S/33E-19Q1, 32S/33E-19P1, and 32S/33E-30K1. Groundwater level declines there ranged from 10 to 15 feet. Groundwater levels displayed positive changes starting in the middle portion of Hydrologic Unit 2 and increased steadily to rises of about 20 feet along the northwest-southeast trending fault that separates Hydrologic Unit 2 from Hydrologic Unit 3. Groundwater levels within Hydrologic Unit 3 also displayed positive changes of up to 15 feet.



2023, these rate increases resulted in increased local groundwater levels in the Antelope Basin area of 40 feet or more.

Overall, the results of Scenario 2 suggest that despite concomitant increases in annual artificial recharge rates in most years to match annual increases in urban pumping demands, the impact of the 3-year stoppage in SWP water deliveries resulted in localized decreases in groundwater levels that persisted in areas until the end of the simulation period in Fall 2023. Therefore, optimal benefits to groundwater storage from the conjunctive use program may require the development of other artificial recharge areas in addition to the Antelope Basin and the China Hill area. Again, an additional basin might be placed on the north side of the major fault zone that separates Hydrologic Unit 2 from Hydrologic Unit 4. Nevertheless, long-term losses of groundwater storage in the Basin were relatively small with an average change of about -70 AFY. Despite the significant short-term decreases in groundwater storage during the 3-year stoppage of SWP water deliveries, the Basin maintained an overall balance between recharge and discharge over the 19-year simulation period. Given the annual water demands and climate conditions assumed under Scenario 2, a maximum annual SWP delivery of 3,300 AF (i.e., 16.5 percent of the 20,000 AF maximum TCCWD SWP Table A contract amount) appears sufficient to help maintain long-term groundwater levels and storage in the Basin.

### Scenario 3

Scenario 3 was identical to Scenario 2 except that in Scenario 3 we did not assume a stoppage of SWP imports from 2008 to 2010. Therefore, Scenario 3 assumes that increases in pumping from 2005 to 2023 to meet increases in urban water demands are matched each year by concomitant increases in artificial recharge of SWP water in the Antelope Basin.

Under Scenario 3, groundwater storage increased by 5,064 AF in the Model Domain from 2005 to 2023, for an average annual storage change of 267 AFY. Annual groundwater storage changes varied widely from -1,469 to 4,784 AF. Annual recharge also varied from 4,219 to 11,436 AF. Modeled average annual recharge was 6,492 AF, in comparison to the adjudicated safe yield of 5,500 AFY. Again, the increase in average annual recharge compared to Scenario 1 was due to concomitant increases in artificial recharge of SWP water with increases in urban water demands.

The greatest groundwater level declines in Hydrologic Unit 4 occurred in the vicinities of the two northwest-southeast trending fault zones and generally ranged from 10 to 20 feet. Within Hydrologic Unit 2, the greatest groundwater level declines also ranged from 10 to 20 feet and occurred in proximity to production wells 32S/33E-28D, 32S/33E-28J2, and 32S/33E-29R. Over the future simulation period, annual artificial recharge rates in the Antelope Basin increased concomitantly with annual increases in urban water demands by the City and GHCSO. By Fall 2023, these rate increases resulted in increased local groundwater levels in the Antelope Basin area of up to 50 feet. Generally, groundwater level declines by Fall 2023 were less severe under Scenario 3 in comparison to Scenario 2.

Overall, the results of Scenario 3 demonstrate the benefits of maintaining a consistent conjunctive use recharge program in the Antelope Basin for mitigating against potential

#### **IV. CLAIM BY TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT TO RETURN FLOW FROM IMPORTED WATER**

At an adjourned regular meeting on June 13, 1973, the Board of Directors of the Tehachapi-Cummings County Water District adopted its Resolution No. 8-73 entitled "A Resolution of the Board of Directors of Tehachapi-Cummings County Water District Establishing Rates for Water Delivered by said District, Establishing other Charges and Rules and Regulations."

Said Part K of said Resolution remains in full force and effect, and said District's claim reflected in said Part K was affirmed and restated as Part K of the Tehachapi-Cummings County Water District's Resolutions No. 15-76. Part K was amended by Resolution 3-96 and later affirmed and restated as Part K of Resolution 13-09.

Part K of Resolution 13-09 provides in full as follows:

**DISTRICT'S RIGHT IN WASTE, SEEPAGE AND RETURN FLOW.** District has and claims all right, title and interest in and to all return flow into any ground water basin within District's boundaries resulting from water imported by District, along with the right to later recapture or otherwise utilize the same, provided, however, the District does not claim title to return flow from imported water purchased by a public entity from the District which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated therefore by the District acting as Watermaster of any such basin. The District's claim extends to all return flow from water imported by the District, whether from spreading operations by the District, from waste or seepage before any delivery of water by the District, from waste or seepage thereafter, and from percolation after or as a result of use or re-use of imported waters by any water user or other person, except imported water purchased from the District by a public entity which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated by the District acting as Watermaster of any such basin. District hereby expresses its intention to later recapture or otherwise utilize such return flow. Nothing herein shall prevent any person from engaging in drainage or other activities to protect his land or the use thereof from return flow which otherwise would injure or would threaten injury to the enjoyment or utilization of such land.

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Resolution TW 1-2011

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT  
ACTING AS WATERMASTER PURSUANT TO THE  
JUDGMENT ENTERED IN *TEHACHAPI-CUMMINGS COUNTY  
WATER DISTRICT v. CITY OF TEHACHAPI, ET AL.*,  
KERN COUNTY SUPERIOR COURT NO. 97210, AS AMENDED,  
AMENDING AND RESTATING  
RULES AND REGULATIONS FOR WATERMASTER OPERATIONS

A. Recitals.

(i) Paragraph 14 of the judgment heretofore entered in *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210, as amended (the "judgment"), appointed this District as Watermaster to administer the judgment.

(ii) Paragraph 15(a) of the judgment authorized the Watermaster to adopt and amend from time to time such rules as may be reasonably necessary to carry out its duties, powers and responsibilities under the judgment, any such amendment to be effective 30 days after mailing to parties specified by the Watermaster.

(iii) By Resolution No. TW 1-73, this District, acting as Watermaster, pursuant to the judgment adopted a set of rule and regulations which were amended by Resolution Nos. TW 1-74, TW 1-88, TW 1-92, TW 1-94, TW 1-97, TW 1-2000 and TW1-2010.

(iv) Attached hereto, marked Exhibit "A" and incorporated herein by reference, is a restated set of rules and regulations, incorporating all the prior amendments to the rules and regulations as aforesaid and containing certain minor modifications and amendments which are necessary to enable the District to more effectively carry out its duties, powers and responsibilities as Watermaster pursuant to the judgment.

B. Resolution.

NOW, THEREFORE, be it found, determined, resolved as follows:

1. All the matters set forth in the recitals above are true and correct.
2. The rules and regulations attached hereto and marked Exhibit "A" hereby are adopted pursuant to Paragraph 15(a)(vi) of the judgment, to be effective 30 days after the mailing thereof to the parties to said action or their successors in interest.
3. The adoption of the revised and restated rules and regulations attached hereto as Exhibit "A" shall not excuse any violation of a rule or regulation of the Watermaster



RULES AND REGULATIONS  
OF  
TEHACHAPI BASIN WATERMASTER

1. Offices and Records.

The Watermaster's offices and records shall be maintained at 22901 Banducci Road, Post Office Box 326, Tehachapi, California, telephone number (661) 822-5504. Such records shall be available for inspection by any party or other member of the public during regular business hours of Tehachapi-Cummings County Water District. Copies of such records may be had by any party or member of the public upon payment of the duplication costs thereof.

2. Water Production Measuring Devices.

(a) Each party, subject to the exception stated below in Rule 2(e), shall, at his sole expense, and prior to extracting any ground water from Tehachapi Basin on or after January 1, 1974, install and maintain on each well so extracting a turbine or propeller meter for 1 ½" and larger, or with respect to wells having a discharge of less than 1 ½", a displacement meter. Each meter of less than 4" diameter shall have a totalizer recording in gallons. Each meter of 4" or larger shall have a totalizer recording in acre feet. The meter shall be of a make and model as the Watermaster shall approve in writing. The Watermaster hereby approves of the following makes and models of meters:

ALLOWED MAKES AND MODELS:

McCrometer – Propeller Model for 1 ½" and up only

Sensus – Model SR for 5/8" and 1" Series "W" Turbo for 1 ½" and up

The totalizer on each such meter shall be susceptible to correction only by changing mechanical gear equipment.

(b) Each such meter shall be accessible, shall be installed in a level position where there are at least ten (10) diameters of continuous straight pipe upstream and five diameters of continuous straight pipe downstream from said position, shall be installed so as to provide for a full flow of water for proper accuracy, and shall otherwise be installed according to good design practices. Watermaster personnel shall assist any party having any question as to installation requirements.

(c) No seal on any such well shall be broken without the prior written approval of Watermaster, except only for emergency repairs, in which event the Watermaster shall be immediately notified by telephone and in writing of the time and date on which broken.

(d) The Watermaster, either through its personnel or through an individual contractor or contractors, shall make inspections of required meters at such times and as often as

will employ the best information available to calculate water production with respect to such wells.

(c) If it appears that any meter reading may have been incorrect, the Watermaster may require other information upon which to compute water production and may adjust meter readings by any reasonable method.

#### 4. Water Rights Transfers.

As used herein the word "transfer" includes any conveyance, lease, license or other type of transaction of whatever kind or nature, whereby another person becomes entitled to exercise, for whatever period, any water rights of a party.

##### (a) Procedures on Transfers.

Any transfer of water rights, other than a month-to-month lease of property to which a purely domestic party well water right is appurtenant, shall be in writing and shall:

- (i) Identify the transferor(s) (Seller or Lessor) and the transferee(s) (Buyer or Lessee).
- (ii) Contain the street address or addresses and mailing address or addresses of the transferee(s).
- (iii) Contain substantially the following provision:

"Pumping from the underground, surface diversions, and any water rights involved in this transaction, are subject to the provisions and limitations contained in the Judgment, as amended from time to time, in the case of 'Tehachapi-Cummings County Water District, etc., Plaintiff, v. City of Tehachapi, et al., Defendants', Kern County Superior Court No. 97210."
- (iv) Recite the quantity of Base Water Rights, in acre feet, transferred, together with substantially the following statement: "Said Base Water Right is subject to the Allowed Pumping Allocation permitted with respect thereto from time to time pursuant to the Judgment as amended from time to time in said cause."
- (v) Be acknowledged in form sufficient for recordation. In order to secure the protection of the California Recording Statutes, Civil Code sections 1213 and 1214, a transfer document should be recorded in Kern County Official Records.

The transferor(s) shall file a copy of the recorded transfer document or, if the transfer document is not recorded, a duplicate original or a copy reproducing signatures of the signatories thereto,

transferred unless a separate duly executed transfer document is filed with the Watermaster as provided in this Rule 4.

(d) Rules of Interpretation in Connection With Transfers.

The following rules shall be applicable to transfers of water rights, and are based on the Judgment as amended. They can be either categorized as such or as conclusive presumptions, but in any event are applicable conclusively. More than one such rule may be applicable to one transaction.

- (i) The Allowed Pumping Allocation permitted with respect to any Base Water Right transferred shall be subject to subsequent upward or downward adjustment by the Court under its reserved jurisdiction, pursuant to the provisions of the judgment as heretofore or hereafter amended. In the event that the instrument of transfer is executed by the transferor prior to or on the date of any amendment to judgment executed by the Court, but the instrument is not effective until a later date, the transferee nonetheless takes subject to the benefits and burdens of such adjustment. All subsequent rules and examples are subject to this rule.<sup>2</sup>
- (ii) Every transfer of a Base Water Right is subject to prior pumping of the Allowed Pumping Allocation pertaining thereto during the calendar year of the transfer, and is subject to reduction of increases of said Allowed Pumping Allocation pursuant to the Judgment as amended on account of prior calendar year over-extractions or carry-overs or other matters. Where a part of a transferor's Base Water Right is transferred, this rule applies proportionately.

Example: A transferor owns 150 acre feet of Base Water Right. A transfer is effectuated on February 15 of a year of 75 acre feet of Base Water Right. In the previous year the transferor over-extracted by 10 acre feet, leaving an Allowed Pumping Allocation for the calendar year in question of 90 acre feet. Prior to the transfer, and in the calendar year thereof, transferor pumped 10 acre feet. While the transferee receives an Allowed Pumping Allocation of 50 acre feet his remaining Allowed Pumping Allocation for the calendar year of the transfer is 40 acre feet.<sup>3</sup>

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<sup>2</sup>All of the ensuing examples are based upon the Allowed Pumping Allocations permitted under the Judgment as amended to the date of promulgation of these amended rules, whereunder the Allowed Pumping Allocation is 2/3rds of the Base Water Right.

<sup>3</sup>If the transferor and transferee wish to reach a different result for the year of transfer, there should be a lease for the year of so much of transferor's remaining Base Water Right as will accomplish the intended result.

provisions set forth in Rule 4(a) above.

(f) Sanctions for Non-Compliance with Rule 4.

If a transferor or a transferee fails to timely file a copy of the transfer document as required above, or the parties to a transfer in any other respect fail to comply with the requirements set forth in this Rule 4, then such transferor and transferee, jointly and severally, shall be liable to the Watermaster for all costs and expenses incurred by the Watermaster, including attorneys fees and court filing fees, in (1) investigating such competing claims, holding public hearings and rendering a decision on such claims and (2) any subsequent legal proceedings, whether filed in Kern County Superior Court Case No. 92710 as an objection to the Watermaster's decision or in a separate legal proceeding.

5. Designees To Receive Future Notice.

(a) Attached hereto, marked **Exhibit "D,"** incorporated herein by reference and hereby adopted is a form by which each party shall designate the person to whom and the address at which all future notices, determinations, requests, demands, objections, reports and other papers and processes to be served upon or delivered to that party are to be so served or delivered pursuant to Paragraph 21 of the Amended Judgment heretofore entered in the subject action. Watermaster shall mail such a form on each party to the action as expeditiously as possible and, within thirty (30) days subsequent to said service, each party shall file a fully executed form with the Court, with proof of service of a copy thereof on Watermaster.

(b) Upon notification of any transfer of water rights, Watermaster shall mail to that transferee the form prescribed in Rule 5(a) hereof. Within thirty (30) days subsequent to said mailing said transferee shall file said form, fully executed, with the Court, with proof of service of a copy thereof on Watermaster.

6. Exchange Pool Reports, Requests and Notices, Forms Therefor.

(a) Attached hereto, marked **Exhibit "E,"** incorporated herein by reference and hereby adopted is a form to be utilized by each exchangor in estimating his agricultural water requirements for each calendar year and in specifying any claim he may have that his being designated an exchangor for the calendar year would result in undue hardship to him. On or before January 20<sup>th</sup> of each calendar year, Watermaster shall mail to each exchangor a copy of said form. Each exchangor shall return his form, fully filled in and executed, to Watermaster on or before February 20 of the calendar year in question.

(b) Attached hereto, marked **Exhibit "F,"** incorporated herein by reference and hereby adopted is a form to be utilized by parties in requesting purchases of exchange pool water for a calendar year. On or before January 20 of each calendar year, Watermaster shall mail to each party anticipated to be an Exchangee a copy of said form. It shall be the responsibility of the party to request the form from the Watermaster in writing prior to the particular January 20, but the Watermaster shall mail the same to any party who was an Exchangee in the prior calendar year and who is not disqualified in the then current calendar year from becoming an

8. Requests For Permission To Over-Extract.

Pursuant to Paragraph 13(a) of the Amended Judgment heretofore entered in the subject action, a party who desires to over-extract from Tehachapi Basin during a calendar year an amount exceeding either ten percent (10%) of that party's Allowed Pumping Allocation or 5 acre-feet, whichever is greater, may apply in writing to Watermaster for permission to do so. Any such application shall state the additional amount requested and the reasons for the request. As soon as is reasonably practicable after receiving such an application, Watermaster shall decide whether or not to approve the application and shall provide written mailed notice of said decision to the party in question, which notice shall include any conditions of approval imposed by Watermaster. Watermaster may approve a lesser amount of over-extraction than that amount requested by the party in question. In that regard, Watermaster's written notice shall specify the approved amount of over-extraction.

9. Requests To Prorate Reduction In Allowed Pumping Allocation.

Pursuant to Paragraph 13(b) of the Amended Judgment heretofore entered in the subject action, a party may apply in writing to Watermaster for permission to prorate required reductions in Allowed Pumping Allocation due to excessive over-extractions over the two (2) calendar years next succeeding the calendar year in which the excessive over-extractions occurred. Any such application shall state in detail facts indicating that the absence of such a proration will impose an unreasonable hardship on the party in question and shall be made not later than February 10 of the year next succeeding the calendar year in which such excessive pumping occurred. As soon as is practicable after receiving such an application, Watermaster shall decide whether to permit the proration and shall provide written mailed notice of said decision to the party in question.

10. Effect of Noncompliance by Watermaster With Time Provisions.

Failure of Watermaster to perform any duty or responsibility or to exercise any power set forth in these rules within a time limitation herein set forth shall not deprive Watermaster of authority to subsequently discharge such duty or responsibility or to subsequently exercise such power, except to the extent that any such failure by Watermaster may have rendered some otherwise required act by a party impossible.

11. Delegation of Watermaster Functions.

The performance of each and every duty and function of Watermaster set forth herein and in the Amended Judgment heretofore entered in the subject action other than making determinations in response to an objection to or appeal from a rule, determination, order or finding initially made by Watermaster hereby is delegated to the General Manager of Tehachapi-Cummings County Water District, or in his absence to the Assistant Manager.

18. Artificial Replenishment.

(a) Introduction.

"Artificial replenishment" is the replenishment of the Tehachapi Basin achieved through the spreading of imported water, that is, water brought into the Tehachapi Basin area from a nontributary source by the District, such as State Water Project ("SWP") water. So long as there is sufficient storage space within the Tehachapi Basin for both natural and artificial replenishment and any particular artificial replenishment program does not unreasonably interfere with any other party's rights in the Tehachapi Basin, it is in the best interest of the owners of adjudicated Base Water Rights and the public in general for the Watermaster to encourage artificial replenishment, thereby raising water tables and avoiding the cost of surface reservoir and conveyance facilities. The District owns and operates spreading facilities overlying the Tehachapi Basin and artificially replenishes the Tehachapi Basin with SWP water to supply nonparty domestic well operators having water supply agreements under Rule 20, *supra*, and conjunctive use customers with Term M&I Agreements who take delivery of SWP water in the ground after it has been spread by the District. The Watermaster maintains accurate records of SWP water as it is banked for these customers and as it is extracted by these customers. These records are compiled annually as part of the Watermaster's Annual Report.

In addition to District spreading operations, any person or entity having a water service agreement with the District for imported water may claim the right to later extract imported water purchased from the District and intentionally spread and stored in the Tehachapi Basin provided that such party complies with the following procedures set forth in this Rule 18.

(b) Application.

Any party seeking to spread imported water in its own recharge area and later extract imported water after it has been artificially replenished shall file with the District a Notice of Intent to Engage in Artificial Replenishment in the form attached hereto as **Exhibit "K,"** and shall serve copies of such application upon any party owning a well within one mile of the exterior perimeter of the proposed spreading and extraction locations. In its discretion, the Watermaster may additionally provide copies of such notice to any other interested party. The Watermaster shall set the application for hearing and permit the Applicant and any other interested party to present evidence at the hearing in support or in opposition to the application. Following close of the hearing at either the same or subsequent meeting of the Watermaster, the Watermaster shall render its decision to grant, grant with conditions, or deny the application. Before granting such an application, the Watermaster shall find and determine based upon the evidence submitted that:

- (i) The water proposed to be artificially replenished is imported water as such term is defined in the judgment, that is, imported water purchased from the District and obtained by the District from a source nontributary to the Tehachapi Basin area.

## 20. Non-Party Domestic Wells.

An owner of a parcel overlying the Tehachapi Basin, but outside of the service area of a public water system, as defined in section 116275 of the Health and Safety Code, who is not a party or a successor of a party in Case No. 97210, may nevertheless pump State Water Project ("SWP") water, intentionally spread by the District in the Tehachapi Basin for his account, for domestic use on such parcel provided such owner signs and submits to the District, and the District accepts, an "Application and Agreement for Water Supply (Delivered Through Non-Party Domestic Well - Tehachapi Basin)" substantially in the form attached hereto as **Exhibit "L."** During the first five years after pumping begins under the Agreement, the Applicant shall be required to establish, pay for and maintain throughout the balance of the term of the Agreement a reserve account of recharged SWP water in the Tehachapi Basin equal to the Applicant's actual usage, as metered, during the first five years after pumping begins under the Agreement. The District shall recharge into the Tehachapi Basin during such five years an amount of SWP water equal to twice the Applicant's metered pumping. Throughout the balance of the term of the Agreement, the District shall recharge sufficient SWP water in the Tehachapi Basin to offset the Applicant's pumping, as metered.

The new Exhibit "L," referred to in the above new Rule 20, is attached hereto.

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\_\_\_\_\_  
Signature

Exhibit A

Date Read / Meter Reading	

\_\_\_\_\_  
Date



TEMPORARY ASSIGNMENT OR LEASE OF WATER RIGHTS

For a valuable consideration, receipt of which is hereby acknowledged \_\_\_\_\_, ("Assignor"), does hereby assign and transfer to \_\_\_\_\_, ("Assignee"), for a period of \_\_\_\_\_ months commencing on \_\_\_\_\_, and terminating on \_\_\_\_\_, the quantity of \_\_\_\_\_ acre feet of base water rights and \_\_\_\_\_ acre feet of allowed pumping allocation adjudicated to Assignor or his predecessor in the judgment in the case of *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210.

Said assignment is made upon the following conditions:

- (1) Pumping from the underground, surface divisions, and any water rights involved in this transaction are subject to the provisions and limitations contained in the judgment as amended from time to time in the above-referenced case.
- (2) Assignee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) Assignee shall pay all Watermaster charges and assessments on account of the water production hereby assigned or leased.

Date: \_\_\_\_\_

ASSIGNOR

ASSIGNEE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(ATTACH ACKNOWLEDGMENT)

A true copy hereof must be filed with Watermaster within 15 days of execution.

EXHIBIT C

1 the above-entitled action.

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3 Dated: \_\_\_\_\_  
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28 EXHIBIT D  
Page 2 of 2

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Request to Purchase Exchange Pool Water During 20

Pursuant to Paragraph 16(e) of the Amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi*, Kern County Superior Court No. 97210, \_\_\_\_\_ hereby requests that he/she be allowed to purchase \_\_\_\_\_ acre feet of exchange pool water during the calendar year 20\_\_\_\_.

It is estimated that \_\_\_\_\_ will require during 20\_\_\_\_ acre feet of water in excess of allowed pumping allocation for that year.

Any exchange pool water purchased pursuant to this request shall be utilized as follows:

<u>Use</u>	<u>Location</u>	<u>Amount</u> (in acre feet)
Agricultural		
Municipal and Industrial		

\_\_\_\_\_ hereby offers to pay to the Tehachapi Basin Watermaster the Exchange Pool price for each acre foot requested hereby as computed in accordance with the provisions of the Amended Judgment in the above-referenced case. Upon notification from the Watermaster pursuant to Paragraph 16(g) of said Judgment this offer shall constitute an agreement to so pay.

(Provide the following information only if applicable.)

The lands upon which the water hereby requested is to be used for agricultural purposes is in such proximity to the imported water pipeline of Tehachapi-Cummings

EXHIBIT F

Page 1 of 2

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Notice of Designation as Exchangor  
for the Calendar Year 20\_\_

TO: \_\_\_\_\_

Please take notice that pursuant to the provisions of Paragraph 16(f) of the amended Judgment in *Tehachapi-Cummings County Water District v. City of Tehachapi, et al.*, Kern County Superior Court No. 97210, you have been selected as and designated an exchangor for the calendar year 20\_\_.

You also are hereby notified that if such facilities do not now exist, upon your application to Tehachapi-Cummings County Water District for water service, said District will install at its expense a connection which will enable you to take imported water at a location on your property as will enable you to effectively distribute that water through any existing distribution system.

You hereby are further notified that you are required to reduce your pumping below your otherwise allowed pumping allocation for 20\_\_ by \_\_\_\_\_ acre feet.

Finally, please take notice that your payments with respect to your required subscription as an exchangor for the calendar year 20\_\_ shall be at the rate of \_\_\_\_\_ for each acre foot of imported water taken. Said rate has been computed in accordance with the provisions of Paragraph 16(h) of the above-referenced Judgment as amended. Payments shall be made directly to Tehachapi-Cummings County Water District within the time prescribed by and in accordance with said District's effective rules and regulations.

TEHACHAPI BASIN WATERMASTER

By \_\_\_\_\_

Date \_\_\_\_\_

Water District on or before the last day of April 20\_\_ and on or before the last day of each five (5) succeeding calendar months to and inclusive of September 20\_\_.

TEHACHAPI BASIN WATERMASTER

By \_\_\_\_\_

Date \_\_\_\_\_

F:\37500 - TCCWD - General\Rules&Regs\Exhibit H - Notice of Honoring Request to Purchase Exch Pool Water.doc

1 making any diversions of surface waters from within Tehachapi Basin Watershed.

2 Special provisions applying to Intervenor are:

- 3 1. \_\_\_\_\_
- 4 2. \_\_\_\_\_
- 5 3. \_\_\_\_\_
- 6 4. \_\_\_\_\_
- 7 \_\_\_\_\_
- 8 \_\_\_\_\_

9 The Court will consider the proposed Order confirming said Intervention at  
10 \_\_\_\_\_ o'clock \_\_\_\_ M. on \_\_\_\_\_, 20\_\_\_\_, in Department \_\_\_\_ located at

11 \_\_\_\_\_

12 Dated: \_\_\_\_\_ TEHACHAPI-CUMMINGS COUNTY WATER  
13 DISTRICT

14 By \_\_\_\_\_  
15 Watermaster

16 Dated: \_\_\_\_\_ INTERVENOR

17 \_\_\_\_\_  
18 By \_\_\_\_\_  
19 By \_\_\_\_\_  
20 \_\_\_\_\_

21 (Each Order will be specially drafted)

22 F:\376.00 - FCCWD - General\Rules&Regs\Exhibit I - Stipulation & Intervention After Judgment.doc

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\_\_\_\_\_  
Street address and post office box, if any

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Telephone number (including area code)

3. Pursuant to Paragraph 21 of the Amendment to Judgment filed November 20, 1973, all matters set forth in said Paragraph 21 shall be mailed to B (or otherwise delivered or served at the address in Paragraph 2.

4. Plaintiff joins in this stipulation.

Dated:

(To be executed on behalf of the transferor, the transferee and the plaintiff. If any party has an attorney of record, it must be executed by that attorney. The form can be modified for a total substitution but normally plaintiff will want to retain Court jurisdiction over the transferor if he remains on or owns land in the Tehachapi area.)

F:\376.00 - TCCWD - General\Rules&Regs\Exhibit J - Stipulation Re Partial Substitution.doc

5. Intended Uses of Extracted Water.

The undersigned intends to use artificially replenished imported water following extraction for the following purposes:

[insert purposes].

6. Permits.

The names, addresses and contact persons for other governmental agencies having jurisdiction over the proposed project are:

<u>Name of Agency</u>	<u>Address</u>	<u>Contact Person</u>	<u>Telephone #</u>
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Copies of any permits issued by such agencies are collectively attached hereto as **Exhibit 4**.

Dated: \_\_\_\_\_, 20\_\_

[Name of Applicant]

By \_\_\_\_\_  
[Name of Authorized Officer or Agent]

VERIFICATION

The undersigned declares that he is the [insert title] of [insert name of applicant] and is authorized to execute the above notice pursuant to a minute order or resolution of the Board of Directors of [insert name of applicant] duly adopted on [insert date], that he has read the foregoing Notice of Intent and declares under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed at \_\_\_\_\_, California on \_\_\_\_\_, 20\_\_.

EXHIBIT K  
Page 2 of 2



5. The District will read Applicant's meter monthly and bill Applicant on or before the tenth day of the following month. Such statement shall be immediately due and payable and shall become delinquent if not paid by the 28th day of the month. Applicant acknowledges receipt of a copy of District's Rules and Regulations for the Sale, Use and Distribution of Water which are incorporated herein by reference. Applicant's attention is especially invited to Parts F, G and H thereof governing billing, payment and Applicant's responsibility for treatment. Water sold hereunder is untreated and the District disclaims any warranty or representation of its potability and its suitability for any use. Further, the District makes no representations or warranties as to whether a water well can be drilled on the Parcel and successfully completed or as to the quality and quantity of water which may be pumped from Applicant's well.

6. Applicant grants the District an irrevocable license for the term of this Agreement to enter the Parcel to install and read the meter and, in the event of non-payment or other breach hereof, remove the meter and render Applicant's well inoperative.

7. The term of this Agreement shall commence upon the date this Application is accepted by the District and shall terminate (a) when the parcel can be connected to a public water system, as such term is defined in section 116275 of the Health and Safety Code, in which event Applicant shall connect to such system and shall abandon the well in accordance with law, or (b) upon Applicant's purchase of adjudicated groundwater rights in the Tehachapi Basin sufficient to meet Applicant's reasonable requirements, whichever (a) or (b) occurs first.

8. Upon proof satisfactory to the District that the Parcel is connected to a public water system and Applicant's well has been properly abandoned, the District shall refund to the owner of the Parcel the amount paid by the Applicant to establish the reserve account. If this Agreement terminates because the Applicant or his successor in ownership of the Parcel has acquired sufficient adjudicated groundwater rights to meet the Parcel's reasonable requirements for water, then the District, as Watermaster of the Tehachapi Basin, shall add one-fifth of the reserve account to the Parcel's Allowed Pumping Allocation for five successive calendar years, beginning with the calendar year in which such adjudicated rights are acquired, provided, however, the Applicant shall be deemed to have pumped first his Allowed Pumping Allocation before such one-fifth share of the reserve account and further provided, however, there shall be no carry-over of un-pumped reserve account water from year to year.

9. This Agreement shall bind Applicant's successors and assigns in ownership of the Parcel and shall "run" with the Parcel. The District may record this Agreement in the Official Records of Kern County.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Print Applicant's Name:

Attachment: Copy of Applicant's Deed is  
Exhibit A

\_\_\_\_\_  
Print Applicant's Name:

## VI. MATTERS IN THIS REPORT CONSTITUTING WRITTEN FINDINGS OR DETERMINATIONS

The following matters, statements, and facts contained in this Report hereby are stated and declared to be and shall be considered to be findings, determinations, and orders of the Watermaster as provided for in subparagraph (c) or paragraph 15 of the Amendment to Judgment entered in Case No. 97210, as amended:

- a. All statements and facts contained in Section II of this Report including, but not limited to, those statements and facts contained in Tables 1, 2, and 3, excluding transfers of water rights, if any, of which Watermaster is unaware and which therefore are not reflected in said Tables 1, 2, and 3;
- b. All statements and facts contained in Section III of this Report including, but not limited to, those statements and facts contained in Figures 1, 4(a), 4(b), 4(c), 4(d), 4(e), 4(f), and Figures 5 and 6;
- c. All statements and facts contained in Section IV and V.
- d. The amended and restated rules and regulations for Watermaster operations set forth as Figure 8.

This thirty-eighth annual report is submitted by the Tehachapi-Cummings County Water District as Watermaster for the Tehachapi Basin.

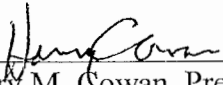
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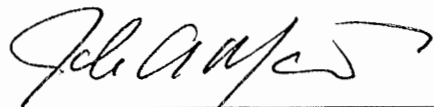
by: Harry M. Cowan, President

by: John A. Martin,  
General Manager

Assimilation of data and preparation:

by: Lori A. Bunn,  
Secretary/Office Manager

  
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Harry M. Cowan, President

  
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John A. Martin, General Manager